

Board Meeting Minutes

Minutes of a meeting held at 3.00pm on **Thursday 25 November 2021** via Microsoft Teams

Present Gary Devlin (Chair), Ashley Campbell, Adele Erwin, Julia Fitzpatrick, Fraser Mitchell, Geoff Palmer, Louise Reid, Jo Roger, Rob Rowe, James Rowney, Alan Stewart, Margaret Whoriskey, Cathie Wyllie

In attendance Angela Currie (Chief Executive), Donna Henderson (Director of Strategic Finance), Chris Milburn (Director of Customer Services), Joanna Voisey (Director of Asset Management), Wendy Russell (Head of Governance & Transformation), Jim Hayton (Item 6.4 only)

1. Introduction & Apologies

The Chair welcomed Board members to the meeting. No apologies were given.

2. Declarations of Interest

There were none.

3. Board Minutes (BRD5 Sep21)

The minutes of the September meeting were reviewed by Board and approved as an accurate minute. The Chair signed the minutes following the meeting.

4.1 Matters Arising

The CEO updated Members on the latest position with GMB. A meeting of the Pay Award Board Reference Group met recently and discussed the latest offer on the table from GMB. We have now submitted a counteroffer to GMB – we are hopeful that this will move the situation forward but there are no guarantees. The CEO confirmed that we will update Members on any progress made.

4.2 COVID-19 Update

Report Summary

This report provides an update on Hanover's management and response to the COVID 19 pandemic. The fluctuating case numbers in Scotland and at Hanover are at the present time are being closely monitored. Thankfully the impact COVID has on health outcomes appears to be lessening because of a high proportion of customers and employees have been vaccinated. Though it also evident that being vaccinated is not a protection against contracting COVID, even amongst those who have received the booster, therefore infection control procedures remain critical.

AC

CM confirmed that the Vaccination and Testing Policy was now implemented and a good supply of rapid lateral flow tests which were made available to staff.

After nearly two years of COVID-19 pressures, Members enquired about staff wellbeing and asked how this could be measured and managed. They noted that the use of surveys, regular conversations with staff and signposting of resources were all positive steps.

The CEO agreed and confirmed that following the recent HIVE survey a data had been gathered about staff wellbeing. This information would form part of regular reporting to Board on health, safety and wellbeing commencing early 2022.

The Board discussed whether visitors would be required to present a vaccine passport to enter a development but noted this would be unworkable as Hanover cannot restrict access to private homes. Officers confirmed that Hanover was taking all reasonable precautions with signage and regular cleaning, and we were confident of our safety measures, noting that our case levels were very similar to other organisations in our peer groups.

Decision Board Members **considered** the contents of the report and **noted** that a Health, Safety and Wellbeing Report would be presented to Board in January 2022.

5.1 **Q2 Performance Report 2021-22**

Report Summary This report provides the Board with information on the Management Accounts for the period ended 30 September 2021 and sets out significant variances between budgeted income and expenditure and actual income and expenditure.

The report also provides the Board with an update on key performance indicators to the end of Quarter 2 against target.

Discussion Members thanked DH for the report which was felt to be very informative and provided very helpful information for Board to discuss and review.

Officers confirmed that both Bield and Trust were experiencing and managing similar operational and performance issues, for example an increase in sickness absence.

Members asked whether the Executive Leadership Team (ELT) had approved the KPI targets and requested that tenant satisfaction together with peer comparison be included in the next performance report. WR confirmed that ELT had considered and approved the targets and that the revised targets would be included in the next presentation of KPIs to Audit Committee in February, noting that a number of them had been changed. We will include Customer Satisfaction measures in that next report too.

The Scottish Housing Network (SHN) had provided an overview into how Hanover was performing, and this peer information would be included in the next performance report. WR thanked Board for their suggestions and confirmed that it was important for Members to keep giving feedback.

The Board asked how Hanover ensured that it offered equality of treatment to its customers. The Chair confirmed that this was being discussed as part of our Annual Assurance Statement & Investors in Diversity working groups.

Members noted that Hanover had built up a significant surplus of £1.6million half-way through the year and that a surplus of approximately £900,000 more

than anticipated was forecast at the year end. Members asked what Hanover could do with the potential surplus wondered whether there was the opportunity to provide a non-superannuated payment or some other positive gesture for staff in the short term as a way of thanking them for their hard work and dedication during the last year. With an ongoing pay settlement claim, it will be even more tricky to balance.

Officers confirmed they were working very closely together to understand and manage current overspends with the asset management programme and wanted to release more planned maintenance work (given the £9m catch up we have to do) if finances allowed as this would have a positive impact on customers. It was also noted that Hanover salaries compared favourably with Bield and Trust, especially at a development level.

Officers confirmed that they were planning to provide staff with a £20 voucher for Christmas. The CEO confirmed that the timing and engagement with staff was important and suggested Board discuss the surplus again at the meeting in January 2022 when there would be greater clarity around voids and maintenance contractors asking for uplifts in rates.

The Chair asked that when the vouchers were issued to staff, that a positive message be sent with them from Board and ELT thanking the staff for their hard work and dedication.

Decision Board Members **considered and discussed** the content of the report and **agreed** to consider the surplus position again in January 2022.

5.2 **Treasury Report**

Report Summary This report is to provide an update on the progress of transition from LIBOR to SONIA which is the basis for pricing our loan agreements and seeks approval for the transition agreements for Nationwide and Lloyds. These are the last of the transition agreements with SONIA coming into effect from 1st January 2022.

Discussion Members agreed that the transition agreements were low risk and could be approved. Ms Henderson is making any further enquiries regarding removing a small number of clauses that would not impact on proceeding with signing the agreements as they were not material.

Decision Board Members **approved** the: Draft Minute of Approval; Authorised Signatory Certificate; Lloyds Transition Agreement; and Nationwide Transition Agreement.

5.3 **Operations Report**

Report Summary This report to Board provides information on several key work strands within Customer Services. The first section provides an update on our Telecare Service. This is followed by an overview of our void property management approach. The final section puts down a marker that the review of the

strategic alignment with our partners in terms of allocations is complete but further work needs done before any decision on the future can be made.

Discussion CM updated Board on the positive meeting with the TSA when they came to undertake the audit. It was noted that other Telecare centres across the UK were struggling to meet their KPI requirements as a result of the pandemic. The TSA were complimentary about the overall Telecare service and noted that the Transformation Plan was being progressed.

Members thanked Mr Milburn for the update and asked that future reports include high level financial data, KPIs and how it linked to strategy. This would satisfy Board that progress was being made on key strategic matters.

CM

Decision The Board **Considered & Commented** on the:

- Update on Telecare
- Approach to voids management and the plan to bring a resource plan to a future Board
- Proposal to review the strategic partnership and note the progress towards reviewing our approach to our Allocations approach

5.4 **Review of Staff Terms & Conditions (BRD6)**

Report Summary This paper sets out our plan to review our employee Terms and Conditions package. This work has a number of interdependencies with other planned work in terms of the salary review and differentials erosion that needs to be addressed. The report also provides an update on two specific reviews on Fleet Cars and Health Care that Board had previously approved.

Discussion Members noted that a review of staff terms and conditions was a very important and sensitive piece of work. Board agreed it was important for employees to have the skills, capacity, and capability to deliver the future Hanover strategy and noted that it was imperative to have terms and conditions which could deliver this.

Board noted that a future report on governance would be presented that would explain where the discussion would be taken and at what point the People Committee or Board would become involved.

WR

Decision Board Members **noted** the rationale and plan for a wider review of staff terms and conditions and that each element would be brought together into one programme of work. Board **approved** the move towards undertaking the employee consultation on the Fleet Car Scheme and Health Care Scheme.

5.5 **Lothian Pension Fund Cessation**

Report Summary This report provides Board with an update on the cessation process from the Lothian Pension Fund Scheme and sets out the content of the final valuation report and the proposed repayment agreement.

Discussion	<i>Confidential Discussion</i>
Decision	Board Members approved the Funding Agreement for Lothian Pension Fund and the repayment plan contained therein.
6.1	Development Activity
Report Summary	This report is to provide the Board with an update to 31 October 2021 on current development activity and provide an overview of the management of the programme and any impact on the business.
Discussion	Members were directed to the section at the end of the report which said that a term contractor covering the Glasgow and Ayrshire areas had asked for an uplift in contract rates to cover material costs. Together with Bield and Trust, Hanover had asked the term contractor for more information and to justify their request for an uplift in contract rates. As this was an emerging issue, Officers were working to understand the financial position of the contractor and if they could continue to deliver a repairs service for Hanover. Meantime, a Plan B was being worked on if the term contract was to terminate.
Decision	Board Members noted the content of the report and ask for a future report in due course.
6.2	Gas Compliance Review
Report Summary	This report sets out the current position with Gas Safety Compliance and assurance within Hanover as requested by Board and brings forward an updated Gas Safety Policy for approval
Discussion	<p>In response to a Member question, JV confirmed that Hanover had achieved 100% procedural gas safety compliance in 2021-22 to date. Only one gas safety check had not been carried out on time which was due to COVID-19 restrictions and was accounted for in the ARC return for 20/21.</p> <p>JV agreed to reflect on the use of “forced entry” in any documentation for gas safety but that scope to use other terminology may be limited and prescribed by legislation. The letters were being reviewed by the HEART Panel.</p>
Decision	Board Members noted the progress toward delivery of the Action Plan, improvement to gas safety performance, a full review of the process has been undertaken and audit actions incorporated and approved the Gas Safety Policy.
6.3	New Scone and Sunnyside Options Appraisal
Report Summary	To update the Board on the options appraisals being conducted on existing housing developments at New Scone, Perth and Sunnyside Court, Edinburgh.

Discussion Members discussed that the issues with the development at New Scone, Perth centred around energy efficiency and fuel poverty. Officers felt that matters could be resolved through the planned maintenance programme, targeted investment and that there was no further requirement for an options appraisal or demolition.

Members also discussed Sunnyside Court, Edinburgh and recognised that the issues were broadly similar to that of New Scone, Perth in that a targeted planned maintenance programme could resolve many of the issues. The concern around the lettability of the bedsits would be resolved through phased conversion of 3 bedsits into 2 or 2 bedsits into 1 over a number of years. The issue with the steep stairs was not an immediate issue and staff would look at the various options for this including reviewing the client group for these flats.

JV also noted that given the above there was no need to continue with the moratorium with letting as set out in the paper.

In response to a question regarding the options, the CEO was clear that, after careful consideration and with a fresh pair of eyes, this proposal was the best option going forward and would de-escalate the developments from demolition/remodelling to planned maintenance which would improve the fabric of the buildings and tenant experience. This is what tenants had clearly expressed and Hanover now had to deliver.

Board agreed that this was a sensible way forward. JV confirmed she would deliver the news to tenants at both developments, and they would be delighted with the news.

Decision Board Members **approved** those issues being experienced at both New Scone, Perth and Sunnyside Court, Edinburgh would be addressed through the planned maintenance programme and further approved that tenants be advised that demolition is no longer an option being considered at this time. Board agreed the moratorium would be lifted.

6.4 Factoring Review

Report Summary This report provides Board with the initial findings of the Factoring Review as agreed at Board Strategy Day 3. This paper sets out the key message from the review and proposes a way forward to undertake a formal consultation with our Factoring customers prior to any formal decisions being made.

Discussion JV introduced Jim Hayton who had undertaken a review of the Factoring service. JH proceeded to give Board a comprehensive presentation on his initial findings via PowerPoint presentation.

Members felt that the presentation had been very helpful and noted that the Factoring service was loss making and likely to be cross-subsidised by other parts of the business. The Chair asked Members to reflect on whether Factoring should be a strategic aim of the business.

Members agreed that any change to the Factoring service was likely to be a complex process and matters had to be carefully considered. It was important for the service to generate an annual surplus and improve on relatively low satisfaction rates.

JH confirmed that it was generally difficult to make money out of Factoring services and noted that deficits could be significantly higher than reported. Satisfaction levels have been declining for a number of years and that it was important to explore how to disengage from factoring if that is what Hanover wished to do.

The Board asked that an options appraisal and risk analysis be prepared by the ELT based on the initial findings from JH with consideration being given to the best options for the way forward.

JV

Members agreed that whatever was proposed would be complex and difficult.

Decision

Board Members **considered and commented** on the Strategy Review Report and **approved** the proposal to move to undertake consultation with the owners and options appraisal of the Factoring service and present back to Board at a later date.

7.1**Governance Matters****Report Summary**

The Governance Matters paper sets out updates and decisions required on various governance topics throughout the year.

Discussion

The Chair asked Ms Russell to seek additional Members to the People Committee and appoint a Vice-Chair for each Committee out-with the meeting and that future Board Learning & Development sessions be restricted to 30 minutes. It was also agreed that Board would approve the topics for Learning & Development sessions on a meeting-to-meeting basis.

Decision

The Board:

Considered & Commented on the:

- Updated Board Appraisal Action Plan at Appendix 1
- Board Learning & Development Plan 2021-22 at Appendix 2
- Request to add additional Members to the People Committee and appoint a Vice Chair for each Committee
- Resignation of Adam Curry, Director of Organisational Services and Bob Stewart, HR Manager
- Progress to draft Hanover's Modern Slavery Statement
- Arklet SHR Statutory Intervention Report, the Arneil Johnson Evaluation Report, and the plan to bring the 2-year anniversary review to January 2022 Board.

Approved:

- The Data Protection Officer post be held going forward by the Head of Governance & Transformation.

- The 2 applications for Membership to Hanover

7.2**Whistleblowing Report****Report Summary**

This Whistleblowing Report provides Members with a summary and outcome of the investigations into 3 separate cases over the last year. The paper summarises the allegations, facts established in the investigation and lessons learned and recommendations that have been taken. All 3 investigation reports have been to the Executive Leadership Team for approval. For all three incidents it was determined that no misconduct had taken place and that there was no need for Hanover's Disciplinary Policy/Procedure to be invoked.

Discussion

Members discussed the Whistleblowing Report and highlighted that it seemed that some of these incidents were of a fairly low level. WR confirmed that ELT had confirmed the same when approving the reports and that we have issued some clarification to managers about how we should manage day to day concerns versus escalation to the full Whistleblowing route.

Board also confirmed that in line with the new Scheme of Delegation it would be good for Audit Committee to do a more in-depth review of any final reports for whistleblowing – this would then allow key points to be fed back to Board as part of the Governance Matters paper. WR agreed to take this report to the Audit Committee in December to start that process.

Decision

The Board **considered and commented** on the report and **asked the Audit Committee to further scrutinise this final report.**

7.3**Scheme of Delegation & Financial Control Framework****Report Summary**

This paper sets out a draft Scheme of Delegation for the Board to approve, to enable effective decision making for the next period ahead. The paper also sets out the wider Good Governance Framework within which the Scheme of Delegation sits, and the timeline for developing this.

Discussion

Board Members confirmed that this document was well structured, and made it really clear to Board and Committee their decision-making responsibilities. Members commented that this will bring much clarity to our future governance structure and thanked WR for this piece of work.

Decision

Board Members approved the Scheme of Delegation Framework and noted the next steps in the process.

8.**Any Other Competent Business**

The Chair noted that Members traditionally met to have a pre-agenda meeting immediately prior to a Board meeting. Board agreed that they found this Members only session useful to discuss the agenda and specific issues that may arise. WR confirmed that we have an hour planned before each Board meeting going forward to have an L & D session – given that we plan

to have a 30 minute only L & D session, Members will be able to use the remainder of that time for a pre-meeting discussion.

9. Date of Next Meeting

The next meeting was scheduled for Thursday 27 January 2022 as follows:

- 14:00 Board Learning & Development – Treasury Management
- 14:30 Pre-Agenda Meeting
- 15:00 Board Meeting

Chairperson:

Date: