

Board Meeting Minutes

Minutes of a meeting held at 3.00pm on **Thursday 27 January 2022** via Microsoft Teams

Present Gary Devlin (Chair), Ashley Campbell, Adele Erwin, Julia Fitzpatrick, Fraser Mitchell, 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), Lynne Hainsworth (Temporary Minute Secretary)

Apologies Geoff Palmer, Jo Roger

1. **Introduction & Apologies**

The Chair welcomed Board members to the meeting. All Members were happy for the Meeting to be recorded. Apologies were accepted from Geoff Palmer and Jo Roger.

2. **Declarations of Interest**

RR declared an interest in item 5.2 Annual Rent Increase - as he is a tenant and will be personally affected by the Rent Review.

ELT members declared an interest in item 5.3 Annual Budget – as they will be personally affected by the salary increase outcome and non-consolidated payment.

AE declared an interest regarding work she is doing for Santander on a financial crime and remediation programme that may be used by Hanover.

The Chair intimated that he didn't think members should absent themselves in any capacity but thanked them for their declarations.

3. **Minutes**

3.1 **Board Minute (BRD4 Nov21)**

The Minute of the 25th November 2021 meeting was reviewed by Board and approved as an accurate Minute with no comments. The Chair signed the Minute following the meeting.

3.2 **Audit Committee (AUD4 Dec21)**

It was agreed that any Committee minutes that were in draft format and being presented to Board, should be reviewed by the Committee chair beforehand.

4. **Matters Arising**

The Board discussed recent pay negotiations and highlighted gratitude for the pay uplift (including back payment) and £20 shopping voucher. Board was advised that a new GMB representative had been appointed to Hanover and added that there was a sense of positivity for future discussions and negotiation on the for the new pay offer will begin following today's meeting.

WR

Members noted their desire to move to a three-year strategy on pay uplift going forward.

The Two-Year Anniversary Report on Arklet Partnership will be presented at the March 2022 Board Meeting.

CM made the Board aware that all twenty-nine residents and staff at Victoria Court in Fort William are being decanted to a hotel for two months to allow major drainage works to take place – this is necessary in part due to the works cutting off access to the lift. A robust communications plan and clear process is in place to mitigate the risk of any reputational risk and to support the tenants throughout this disruptive period.

5.1 Strategy and Business Plan 2022-2027

Report Summary

This paper provides a progress update on the development of Hanover's new Strategy and contains a copy of an early draft strategy document. It also sets out our next steps to move us towards being able to have a final version of our strategy.

Discussion

The paper was warmly welcomed. How the Board's level of ambition is phrased was highlighted with suggestions on how this might be further clarified. The word resilient organisation seemed to be better captured with the use of sustainable organisation to reflect the vision and goals. Members also noted that inclusivity and equality could be included highlighted to reflect Hanover's values and goals. WR will arrange for a Word copy of the document to be emailed to Members so they could provide specific comments to be built into the next draft.

WR

Decision

The Board:

- Considered the key objectives set out in the draft strategy and confirmed these matched the expectations of Board
- Noted the plan for the next Board Strategy workshop on the 8th of February which will focus on hearing the key messages from the Employee Survey and Customer Survey and how these will be woven into our strategy.

5.2 Annual Rents Increase 2022-23

Report Summary

This report set out the proposal for rent increases for 2022-23 in accordance with Hanover's Rent Policy, taking into consideration the key objectives of viability, affordability, and the results of the consultation with residents.

Discussion

The paper commended for being clear and succinct. Straight comparisons were made with parallel housing associations as well as discussing affordability. The Rent Setting Policy is also being reviewed at present. Members agreed a 3% uplift. This has been stringently stress tested and will assist clear financial planning.

A hardship fund is to be investigated due to rising energy prices. Higher rural fuel charges and cost of very sheltered housing are to be included for context. The Welfare Rights Officer assists with the tenants' finances and has managed to secure £15,000 from the SFHA Fuel Poverty Fund. This work runs alongside the Rent Setting Policy which will come to the Board for approval later in 2022.

Decision

The Board:

- **Considered and discussed** the content of the report, in relation to the current market conditions and the economic outlook for 2022/23

CM

- **Noted** the results from the 2022/23 rent consultation exercise
- **Approved** rent increases in 2022-23 by 3%.

5.3 Annual Budget 2022-23

Report Summary

The purpose of this report is to present Board with the forecast out-turn for 2021/22 as well as the proposed budget for 2022-23. There is a base budget proposal with various scenarios modelled that could be adopted. Following the report to the September 2021 Board on the budget assumptions officers have updated the five-year plan to allow the Board to assess the medium-term impact on the business.

Discussion

The report was commended for its detail and scenario planning which gave great confidence to Members and allowed them to make decisions. A rigorous screening around rents, an investment programme, and a shadow investment programme of £3.8m was prepared for the first time with other scenarios being investigated. The potential sale of Arklet flats to aid to provide investment funds was discussed as a way to release the shadow programme.

Members were concerned around the proposed cost of living increase as they felt that 1.5% would not be enough given our employees were under the same inflationary pressures. DH confirmed that the sector average was 1.8% for next year..

The inflation figure in the 30-year plan was 2.5% (clarified by DH) A Sensitivity Analysis and likely Scenarios Planning over five years and beyond was requested by the Chair for the March Meeting including looking at the assumptions.

The Non-Consolidated Pay was **Approved** by the Board. A request to be part of the communication of this decision alongside the CEO was requested by the Chair.

DH

AC

Decision

The Board:

- Discussed and **commented** on the contents of the Report and approved the proposed based budget whilst considering the scenarios provided.
- Discussed and **approved** that any proceeds from the sale of former Arklet scatter flats be used to invest in the properties and agreed the ELT bring back a proposal for the disposal of all former Arklet scatter flats.
- **Approved** a non-consolidated staff payment by either voucher or cash of £50 to all permanent staff prior to year-end given our position.
- **Noted** the likelihood of a write off being required in relation to service charge for void properties, deemed unrecoverable for 2021/22 once the full year void position is ascertained.

5.4 Financial Control Framework

Report Summary

This paper sets out a draft Financial Control Framework (FCF) for the Board to discuss and approve. It is a key tool 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 This first draft of the Framework has been drawn from reviews of Executive and Senior Management Teams' procedures and policy it also includes 6 key regulation documents and a timetable. The Financial Team are working intensively on this project to create a solid structure of financial control that provides with robust Budget Management. The Board approved the Framework and applauded the quality of the work undertaken by Finance team.

Decision The Board **considered, commented, and approved** the Draft Financial Control Framework and the next steps contained in the timetable for implementation.

6.1 **Telecare Update**

Report Summary This report provides Board with the results of the recent Telecare Services Association (TSA) audit, and it also sets out progress of the Telecare Transformation Plan (TTP).

The TTP was developed to address the wide range of challenges the service faced along with the notification from the TSA last July that the service's accreditation was being suspended pending performance improvement.

Discussion The Hanover Telecare service was audited in November 2021 by TSA. After the audit TSA advised they were re-accrediting the service. Work is continuing on implementation of the Telecare Transformation plan. A fund of £6.5k from the Scottish government has been won for the proactive calling service which has recently commenced.

Board was delighted with the news that reaccreditation was awarded and asked that their thanks be passed on to the Telecare Staff. Board agreed that this could be reported on an annual basis to the Audit, Performance & Risk Committee.

CM

Decision The Board **reviewed and commented** on the outcome of the Audit Report and the update provided on the TTP. Board requested an annual report on Telecare, in line with TSA's annual audit.

CM

7.1 **Development Activity Update**

Report Summary This report provides the Board with an update to 31 December 2021 on current development activity including the speculative programme. It also includes an update on the impact of material costs and ongoing discussions around one of our reactive repairs contractors and their representation for an uplift to their tendered contract rates.

Discussion Board was advised that there was no significant update to the position previously reported. The alternative arrangements, should the contractor decline to continue to provide services, are progressing to ensure we can continue to provide this service to our customers. Conversations continue to take place with Bield and Trust, as joint procurers of the original framework. JV proposes to bring a report to the March with a full update on the operational situation.

Decision The Board **reviewed and commented** on the content of the Report, specifically the update on Spynie 2 and the impact of material costs.

7.2	Arnside Avenue & Barrland Court
Report Summary	This report provides an update to Board on the former Arklet developments at Arnside and Barrland Court, Giffnock. These developments were identified during the transfer of engagements as priority actions that required to undergo an options appraisal.
Discussion	JV noted that this is a report aimed at consolidating the current position to ensure Board have full sight of the final options appraisals and are clear on the current position with the heads of terms for the lease. Lease negotiations are ongoing at the current time.
Decision	The Board: <ul style="list-style-type: none">• Noted the outcome of the Partnership Committee discussions• Noted the progress being made on the lease negotiations and the next steps.
7.3	Health, Safety and Wellbeing Quarterly Report (Including COVID-19)
Report Summary	This report provides Board with an overview of the relevant Health, Safety and Wellbeing activities that are critical to the organisation in terms of meeting legislative requirements and keeping our tenants and employees safe and well. This is a new report aimed at facilitating the Board maintaining a strategic overview of Health & Safety & Wellbeing in line with their responsibilities. JV advised the new format will be presented quarterly along the Annual Report and this would be further supported with KPI report to Audit Committee and Board training. JV asked for feedback from the Board on the context and style of the report.
Discussion	The report was met well by the Board, noting that this was going to be developed further. The Board also noted the review that was underway on the H&S reporting on accidents and incidents highlighting the number of deaths included and which are not actually H&S related.
Decision	The Board: <ul style="list-style-type: none">• Provided feedback on the content and style of the report and dashboard in Appendix 1• Considered the plan to develop and report H and S KPIs through the regular Performance Report to Audit Committee• Noted the early stage of development with the H, S and W Plan• Noted the current Covid statistics and impact on business.• Decided that only H&S related data be reported.
8.1	Governance Matters
Report Summary	The Governance Matters paper sets out updates and decisions required on various governance topics now and for the year ahead.
Discussion	The clarity of the Report was commended and a brief discussion of the items for approval commenced before all matters were approved.
Decision	The Board noted each of the relevant sections and: Considered and Commented on the: <ul style="list-style-type: none">• Board Appraisal plans for 2022 and the proposal for members conducting the Chair's appraisal.• The proposal for the next Board L & D session in March to be on Development Activity• Planned 2-year review of the Partnership Committee

- The suggestion to rename the Audit Committee to Audit, Performance & Risk Committee – to reflect the updated remit

Approved:

- Cathie Wylie as Vice Chair for Audit Committee
- The application for Membership to Hanover
- The revised Membership Policy
- The 4 documents proposed as the Good Governance Guide
- The Treasury Officer as a redundant post

8.2 Organised Services Review (Private Item CEO & Members)

Report Summary

The CEO presented Board with the results of the review of Organisational Services and the plan to rename the directorate, recruit to the vacant Director's post and make some changes to the service portfolio.

Discussion

Board felt the proposal was logical and reflected the organisations needs at this time.

Decision

The Board noted the direction of travel and agreed the CEO should take this recruitment process forward.

9.0

Any other Competent Business

Chairperson: Gary Devlin

Date: 24 March 2022