

Board Meeting Minutes

Minutes of a meeting held at 3.30pm on **Thursday 11 August 2022** via Microsoft Teams

Present Gary Devlin (Chair), Ashley Campbell, Julia Fitzpatrick, Fraser Mitchell, James Rowney, Rob Rowe, Alan Stewart, Margaret Whoriskey

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 (Director of Business Support & Transformation), Mark Scott (Head of Finance)

Apologies Adele Erwin, Geoff Palmer, Louise Reid, Jo Roger, Cathie Wyllie

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 Adele Erwin, Geoff Palmer, Louise Reid, Jo Roger, Cathie Wyllie.

2. Declarations of Interest

The Chair declared his interest in Agenda point 8.2.

3. Minutes

3.1 Board Minutes & Action Plan (BRD9 May22)

Discussion There were no comments from Members on the Minutes.

In general terms, the Board were aware that there were a lot of ongoing issues such as the pay review, inflation, the financial position, void management, rent setting. The Board were keen for the challenges to be drawn together to support a more strategic review and response. The ELT had already started to consider all the points raised and were discussing with other RSLs who were facing similar challenges. The 30-year plan was being looked at, along with scenario planning, and more detail would be brought to the next Board meeting, which would include the assumptions to be agreed and the rent increases to be consulted on. Some information could be shared with the Board in advance of the next meeting to ensure Members were prepared for the decision-making.

DH

On the Action Plan, the Board sought clarification on when the Pensions Review Group would meet. The results of the triennial valuation for the SHAPS Pension Scheme will be available imminently and as soon as this is available the first meeting would be organised. It was noted that there would now only be two Members as part of the Group.

DH

Decision The Minutes were agreed and **approved** as a correct record and signed by the Chair following the meeting.

3.2 Audit, Performance & Risk Committee (AUD7 Jul22)

Discussion The Chair of the APR Committee provided a summary of the matters discussed at the July meeting. A number of the items discussed also appeared on the Board's Agenda. The external auditors had been

present for the discussion on the financial accounts, there had been a detailed discussion and the auditors and Committee were content that the accounts were a fair reflection of the current financial position.

The Treasury Management internal audit had received substantial assurance and Staff Absence Management had received reasonable assurance. The Committee had felt that it would be useful for the Chair of the People Committee to have sight of the Staff Absence Management report as there were some things that required attention.

Adele Erwin had indicated an interest in joining the Committee and they were delighted to recommend her appointment. There had been a discussion around an individual with a financial background being co-opted to the Committee and the Board were encouraged to advise the Company Secretary if they could recommend anyone.

Decision The Board **noted** the update.

3.3 **People Committee (PPL2 Jun22)**

Discussion The Chair provided an update in place of the Chair of the People Committee. The People Committee had been concerned about capacity and prioritisation of projects, and a timeline had been agreed. The People Strategy had been delayed to 2023 to allow the Committee to complete fundamental projects. The Employee Engagement & Consultation review had commenced. The Pay Review was a critical project, especially with what was being witnessed around strikes across both public and private sectors, and there were challenges around inflation and supporting affordable and sensible reward outcomes. The Committee had also been presented with a range of initiatives as part of the Wellbeing Plan.

Decision The Board **noted** the update.

3.4 **Board Strategy (23 June 2022)**

Discussion There had been a blended approach, with one Board Member joining remotely and the others in-person. A report on the session had been prepared and issued.

Board Members confirmed they had found the session very helpful. This was an example of a more hybrid way of working and the Board found this beneficial.

Decision The Board **noted** the update.

4. **Matters Arising**

Discussion A ministerial visit was planned at Varis Court, Forres. Kevin Stewart MSP (Minister for Mental Wellbeing & Social Care, previously Minister for Housing) would be visiting as part of the launch of the National Dementia Forum Report. Varis Court had been used as a case study in the report. This should highlight the development, the model of housing it represented, and the great outcomes delivered for customers who lived there. Any media coverage would be circulated to the Board.

**AJC/
WR**

The media launch would be followed up by an online event and Board Members were provided with further details of that.

5. **Strategic Matters**

5.1	Financial Statements 2021/22 & Associated Matters
Report Summary	This report provided Members with an opportunity to review the audited financial statements for the year ended 31 March 2022 and to consider the contents of the auditor's Audit Results Report.
Discussion	<p>A summary of the financial statements, Final Audit Findings Report and letter of representation was provided to the Board.</p> <p>The Board noted that Local Authorities had not reopened day care services and questioned if this accounted for care activities moving from surplus the previous year to deficit in these statements. It was confirmed that the income stream from day care remaining closed would be linked to this.</p> <p>The Board questioned if there was a target for surplus. It was agreed, this would be something to consider when looking at the assumptions at the next Board meeting. The minimum would be 110% of interest cover for the covenants. The Board also discussed a target reserves policy of building reserves to support a a more sustainable rents policy. The challenge around this was that the covenants dictated that there be a minimum amount of surplus and spend could be restricted by this.</p> <p>As this had been a clean audit, the Board felt they could take assurance from this. The Board expressed their appreciation for the outcome and assurance and thanked the APR Committee for their overview of this process.</p>
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and discussed the content of the report and specifically: <ul style="list-style-type: none"> - Approved the financial statements. - Recommended the financial statements be presented before the members at the Annual General Meeting on 22 September 2022. - Considered and discussed the content of the auditor Anderson, Anderson and Brown's (AAB) Final Audit Findings Report. - Approved the letter of representation.
5.2	Health, Safety & Wellbeing
Report Summary	This report provided an update to the Board on all Health, Safety & Wellbeing (HSW) activities over the past quarter and sought an approval for the Health, Safety & Wellbeing (HSW) Plan.
Discussion	<p>The Board were pleased to see the HSW Plan within the context of corporate strategy. There were good foundations and going forward improvements would be made, with the Plan lasting for 18 months.</p> <p>The Board highlighted a small point on the Plan around the definition of a near miss, which would be rectified. The Board discussed the data in the report around slips, trips and falls, and emphasised the need for proactive falls prevention work.</p> <p>The Board recognised the reasons for the decision to integrate COVID-19 into the HSW Working Group but were concerned about Winter planning as there was an expectation that this could be a challenging time. There was a Winter Planning Group, and the ELT would ensure that this dovetailed together with the HSW Working Group. The COVID-19 Management Group actions had coincided with work being undertaken by</p>

the HSW Working Group. It was felt that the current approach was working, but if there was a need to re-form the COVID-19 Management Group then this would be done. The Board were keen to ensure there was sufficient focus on COVID-19 and were reassured that this was still a key part of agendas.

The Board questioned if there should be two separate strategies for Health & Safety and Wellbeing. It was explained that Health & Safety covered the employer's responsibility, and this was inextricably linked to the Wellbeing agenda. It was acknowledged that this was cross departmental, with Wellbeing being managed more proactively on a day-to-day basis by HR although it formed part of the Health, Safety & Wellbeing Manager role.

The Board were concerned to note that a member of staff had been attacked and were relieved that this had not been a serious incident, although it did need to be reported. The Board were reminded that Hanover customers could have advanced dementia and therefore incidents such as this could happen.

Decision

The Board:

- **Noted** the current stats and performance levels around Health Safety and Wellbeing (HSW).
- **Approved** the Health, Safety and Wellbeing (HSW) Plan.

5.3

FCF - Corporate Procurement Reports

Report Summary

The Procurement Reform (Scotland) Act 2014 requires RSLs with a qualifying annual spend of £5 million to review their procurement strategy (now called Corporate Procurement Plan) on an annual basis and publish an Annual Procurement report. In addition, the Procurement Policy was reviewed and attached to the front of the Corporate Procurement Plan.

Discussion

The Board were provided with a summary of the Corporate Procurement Plan and Procurement Policy.

The Board noted the target that 90% of invoices should be paid within 30 days but that only 66.5% had been achieved. The main reason for this was that invoices were received late. The date on the system was the date of the invoice, but the invoice might not have been received for say another 15 days, so this reduced the timeframe to settle within 30 days. The finance team were planning to campaign suppliers where they were aware there was an issue as this did have an impact on payment performance.

The Board were concerned that the current financial climate could put additional pressure on procurement with value for money being eroded and the cheapest option having to be chosen. Quality was still being emphasised, but it was recognised that costs were increasing. The Framework should provide true procurement savings going forward.

The Board were keen to see equality and diversity promoted in how Hanover procured as this tied in with sustainability and investing in communities. It was thought that this was included in the Procurement Improvement Plan, but it would be incorporated in more prominence into the Corporate Procurement Plan.

DH

	<p>The Board suggested that the use of other RSL frameworks could be integrated into the Plan. It was agreed that this was a possibility and therefore this would be added.</p>	DH
	<p>It was noted that sustainability was embodied within procurement activities, but the Board questioned if Hanover was being ambitious enough and genuinely using its purchasing power to address the climate emergency. The direction on sustainability had not been fully formed to back this up but as the strategy was moved through then context could be provided on how this would be done.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and discussed and approved the Procurement Policy and the Corporate Procurement Plan • Considered and discussed the Annual Procurement Report for 2021/22 prior to its submission to the Scottish Government. 	
5.4	Whistleblowing Update	
Report Summary	<p>This report set out the current position in relation to whistleblowing allegations made to Hanover in mid-July which Board Members had already been made aware of. The paper set out the planned investigation arrangements and sought to assure Board Members of a robust process to deal with the matter.</p>	
Discussion	<p>The Board had been made aware of the allegations and received an update. The investigation plan had been included with the report. There had been a meeting with the SHR, and they were satisfied with the approach being taken and the investigation plan.</p> <p>The outcome of the investigation report would go to the APR Committee and, dependent on how the investigation progressed, it was hoped to be able to firm up on dates in the next few weeks. It was noted that some of the data in the investigation plan was over a three-year period and that this in itself made it more difficult to be sure about the timescale.</p> <p>In summary, the Board noted that there had been a whistleblowing incident, policy had been followed and, under the supervision of the APR Committee, there would be an independent review and the APR Committee would report back to the Board in due course. The Board would await the outcomes of that process.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and commented on the report. 	
6.	Development & Assets	
6.1	Gas Safety Issue	
Report Summary	<p>This report provided an update to the Board on the discussion at the APR Committee setting out the investigation and action taken following the identification of further gas fails.</p> <p>Sought confirmation from the Board of any further reassurance required and if they were content for this to be overseen by the APR Committee.</p>	
Discussion	<p>There had been a detailed report submitted to the APR Committee and the Board were updated on the current situation. To provide assurance to the Board, Hanover was fully compliant in terms of gas safety and had had no further fails. The SHR had been updated and further information</p>	

	<p>had been provided to them, including the Action Plan, which had also been forwarded to the APR Committee.</p>
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and commented on the report and noted this had been reported to the Regulator as a Notifiable Event due to the seriousness of the scale of the issue that was uncovered.
6.2	Development & Assets Update
Report Summary	<p>This report provided the Board with an update on current development activity along with an overview of the management of the programme with any impact on the business. It also provided an update on the current position with key contractors and included proposals for the disposal of Hanover Assets.</p>
Discussion	<p>The handover of four units at Village Gardens, Elgin had taken place the previous week ahead of schedule.</p> <p>The Board discussed the Bearsden project, which had been speculative and was not going to proceed on a cost basis. They were interested to know how Partick Housing Association could make this work when Hanover could not. It was thought that this was because Partick was developing the remainder of the site and therefore was able to balance the high cost of amenity housing against mid-market units on the site.</p> <p>In general terms, the Board would like to understand how the MPV model was built, including the breakeven point and discount rate. This was included in the development assumptions which would be brought to the next Board meeting.</p> <p>Historically, Hanover's housing mix had been based on opportunities available at the time and this was now being discussed to ensure that it fitted with corporate strategy. Asset Management were working with Customer Services around housing needs and demands to ensure the housing mix was correct. Work was to be commissioned to allow this issue to be raised with the Board. This would look at what was being built and where over the next five to ten years; assessing opportunities at local authority level in terms of demographics and existing provisions; allowing a strategic discussion on where Hanover should go next and why.</p> <p>There was a discussion around a contractor providing services in relation to the gas servicing element, which had been a Notifiable Event. There had been no disruption and alternative arrangements had been put in place.</p> <p>The Board discussed the property disposal agreed with the Chair and the proposed disposal in Elgin.</p>
Decision	<p>The Board</p> <ul style="list-style-type: none"> • Reviewed and commented on the: <ul style="list-style-type: none"> - Current development activity - Updates provided on the planned and reactive programmes specifically in relation to cost increases - Position with Hanover's Gas servicing contract • Homologate the disposal outlined for 35 Walton Court

- **Approve** the disposal of 5 South Park Elgin.

6.3

Reactive Repairs Procurement**Report Summary**

This report provided the Board with the the key principles and proposed procurement methodology for reactive repairs going forward.

Discussion

This was a procurement that mattered to Hanover's customers. The response timelines suggested sounded reasonable to the Board, but they would be keen to ensure that this was what customers were looking for. There would be consultation with Hanover's customers and the wider team to check that the understanding was in line with what was sought. The Board suggested that it would be helpful to use the consultation to find out whether the number of days was key or if customers would prefer it took a bit longer but was right first time. It was acknowledged that this was one of the main things that affected every customer, and it was important to receive feedback to ensure expectations were being met.

Decision

The Board

- **Considered** and **commented** on the proposals.

7.

Customer Services

7.1

Voids Plan**Report Summary**

This report provided an update on the work done to increase demand for Hanover's housing and improve internal re-let processes to reduce the length of time properties remain empty (void) between lets.

Discussion

The Board discussed the cost of voids in lost revenue. Although extensive work had gone in to re-lets, and there had been a decrease in voids, it remained an area that drained a lot of resource as voids work was a team effort across the organisation.

The two main issues were high turnover (reflected by customer demographics) and decreasing demand. This was not Hanover specific as other housing associations experienced similar issues. It seemed counterintuitive that an ageing population was not leading to higher demand. There had been a report in 2015 which had indicated that people in their 40s/50s did not aspire to live in a traditional sheltered housing complex, although it was acknowledged that responses post COVID-19 might be different, and a refresh of this research would assist in determining this. It was also noted that customers who had been unsure prior to moving in to sheltered housing often commented on how much they enjoyed their new living environment.

Although approved, the Board cautioned against a voids moratorium without action and encouraged some radical thinking around whether Hanover should sell developments with high voids; demolish and re-build; modernise etc. This wasn't just about lost revenue but also about the cost of turnover.

The Board discussed the possibility of empty units being used by Ukrainian refugees. Potentially suitable properties had been offered to local authorities but, to date, none had taken up the offer. There had been a recent communication from the Scottish Government, and this had been followed up.

There was a discussion around promoting void properties, maintaining momentum, accessing the website and generally marketing Hanover.

	<p>There were a number of developments that were older and less attractive due to location, and re-modelling or options such as demolition would become a bigger feature. The Board would be interested to hear how this would be taken forward at a future meeting.</p>	JV/CM
Decision	<p>The Board:</p> <ul style="list-style-type: none"> - Reviewed and commented on this report. - Approved the application of a voids moratorium on the specific properties detailed in the report. 	
7.2	Tenancy Sustainment Support Service Update	
Report Summary	This report provided an update on the work we are doing to limit the worst impacts of the cost-of-living crisis for our customers.	
Discussion	<p>This was a key piece of work given the cost of living crisis and the fuel cost rises, with more impending. Hanover's Welfare Rights Officer was co-ordinating initiatives to assist customers.</p> <p>The Board discussed the £15k requested for Hanover's support fund and sought more information on how this worked along with the criteria. The Board were keen that customers should be supported as much as possible and felt that it would be appropriate to provide approval for up to £30k without requiring further Board input. It was acknowledged that this flexibility would be useful, although it was thought that other sources of funding and support would supplement this.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Reviewed and commented on the report. • Approved an additional £15k, with up to £30k, being made available to Hanover's Fuel Support Fund. 	
7.3	Telecare Update	
Report Summary	This report provided the Board with an update on the Telecare service. It also set out progress with implementation of the Telecare Transformation Plan (TTP).	
Discussion	<p>Telecare performance was still challenging. Hanover remained accredited and were in close contact with the Telecare Services Association ("TSA"). They had confirmed others were facing similar challenges around responder services and staffing.</p> <p>The Board questioned if there was a fundamental issue with the underlying target operating model, as this seemed to be a continuing problem, and how sustainable Telecare was in the longer term. It was acknowledged that Telecare was a challenging environment with the nature of the service and the increasing complexity involved. From discussions with the TSA the difficulties Hanover faced were not unusual.</p> <p>Work had been undertaken by Community Models, and they had taken an in-depth look and provided recommendations on how contracts could be managed more effectively. Community Models had also looked at the financials in detail and how overheads were calculated. Historically this had been run at a surplus and achieved, it was the operational aspects that remained challenging. It was noted that Telecare had moved from operating at a circa 50% vacancy rate to circa 17% so progress was being made. A clear strategy and objectives would be imperative.</p>	

Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Noted and commented on the contents of the report.
8.	Governance
8.1	Governance Policies
Report Summary	This paper brings the revised Whistleblowing Policy and new Board Recruitment & Selection Policy to the Board for approval. Both policies are fully aligned to the SHR framework and the SFHA model policies.
Discussion	The Board had no comments to make on the governance policies. They acknowledged that Board recruitment and succession planning would have to be given some thought.
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the Whistleblowing and Board Recruitment & Selection Policies.
8.2	Governance Matters
Report Summary	The Governance Matters report set out updates and decisions required on various governance topics now and for the year ahead.
Discussion	<p>The Chair excused himself from the meeting for this Agenda item, and the Chair of the APR Committee took over.</p> <p>The Board discussed the various matters in the report.</p> <p>It was confirmed that Hanover Rules were based on the SFHA Model Rules, and it was standard that a third of Board Members stand for re-election at the AGM. The period of re-election was three years, but it was acknowledged that circumstances could change therefore there was nothing to prevent a Member from serving less than three years.</p> <p>The Chair had been on the Board for nine years, and this meant that the Member had to stand down unless the Board agreed that they were continuing to make an effective contribution. The Members had no hesitation in confirming that the Chair was making an effective contribution to the Board.</p> <p>The Chair re-joined the meeting.</p> <p>It was noted that, due to a period of ill-health, Cathie Wyllie, a Board Member, had requested a leave of absence until the end of the year and Members were happy to approve this and looked forward to welcoming Cathie back when health allowed.</p> <p>Members approved Adele Erwin's appointment to the Audit Committee and the new membership applications, all from Hanover customers.</p>
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and commented on: <ul style="list-style-type: none"> - Board visits to Developments - Board Appraisal 2022 progress - AGM & Board Election plans for 2022 - Retirement of Sir Geoff Palmer

- The Notifiable Events update
- The Annual Assurance Statement Progress update
- **Approved:**
 - Gary Devlin to continue as Member of Board with +9 years service
 - Leave of absence for Cathie Wyllie
 - Adele Erwin as a member of the APR Committee
 - The Membership applications for Fiona Eadington; Roberta Pennycook; Frank Bowness; Ian & Pamela Young; Elisabeth Merry and Sylvia McAinsh.

9. Any Other Competent Business

None.

Chairperson: Gary Devlin

Date:

Meeting Date	Area/ Paper	Action	Internal/ Board	Who	By When	Comments	Status
24.03.22	4. Matters Arising	Keep Board updated on GMB Ballot progress and ensure we set a deadline if we have had no response by end of month.	Board	CM	08/04/2022	Negotiations ongoing with GMB. ELT brought an update to Board on 26 th May concluding the negotiations for 2022-23	Completed
		The Board proposed that the People Committee review Hanover becoming a Scottish Living Wage employer and make appropriate recommendations to the Board.		WR	2022-23	Will be considered alongside the Pay Review Project	Nearing Completion
26.05.22	4. Matters Arising	The Risk Register would be reviewed and updated to reflect the situation with the energy contracts.		JV	31/8/22	Included in the Strategic and the Corporate and Asset	Complete
26.05.22	5.1 2021/22 Year End Results	The Board were reminded of the plan to set up a Pensions Working Group. This would be a small working group, who would have a few meetings to review the pension position.		DH	31/12/22	The pensions working group met on the 4 th October.	Complete
		A review of Telecare pricing was being undertaken and the forward plan proposed to bring a report on this to the Board's August meeting.		CM	11/8/22	Report to Board at the August Board included this.	Complete
26.05.22	6.1 Development & Assets Update	Provide an update on the lease arrangements for Barrland Court to the previous members of the Partnership Committee as this had only recently been dissolved.		JV	31/7/22	Done by Janice McDonald. Ex Partnership Committee members also attended the recent Barrlands events to launch to History Booklet.	Complete

Meeting Date	Area/ Paper	Action	Internal/ Board	Who	By When	Comments	Status
26.05.22	8. AOCB	The Chair drew attention to a Non-Executive forum event to be held on 30 June 2022 at the Scotsman Hotel.		GD/WR		Circulated to Board.	Complete
		Board Members noted that it would be helpful to begin to reinstate visits to developments where possible.		WR		Invitations sent out to Board members to come forward to EMM if they want to individually visit developments or come along to the Customer Strategy Roadshows.	Complete
11.08.22	5.3 FCF – Corporate Procurement Reports	Board asked that equalities and diversity are promoted in the Corporate Procurement Plan		DH		The Corporate Procurement Plan has been updated to reflect this.	Complete
		The use of RSL frameworks could be incorporated into the Plan		DH		The Corporate Procurement Plan has been updated to reflect this.	Complete