

Board Meeting Minutes

Minutes of a meeting held at 3.30pm on **Thursday 27 October 2022** via Microsoft Teams

Present Gary Devlin (Chair), Adele Erwin, Louise Reid, 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), Wendy Russell (Director of Business Support & Transformation), Clare Dodd (Head of Asset Management), Elaine McCaffery (Head of Governance & Transformation)

Apologies Ashley Campbell, 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 Ashley Campbell and Jo Roger.
 2. **Declarations of Interest**

There were no declarations of Interest.
 3. **Minutes**
 - 3.1 **Board Minutes & Action Plan (BRD10 August 22)**

Decision The Minutes were agreed and **approved** as a correct record and signed by the Chair following the meeting.
 - 3.2 **Board Minutes & Action Plan (BRD11 September 22)**

Decision The Minutes were agreed and **approved** as a correct record and signed by the Chair following the meeting.
 - 3.3 **Audit Performance & Risk Special Meeting (APR 18th October 22)**

The Chair of the Committee gave a verbal update of the outcomes of the APR Special Meeting to hear the outcome of the Whistleblowing allegations. The APR Committee accepted the report and its recommendations (as per paragraph included in the Governance Matters item at 7.3 on the agenda). The next steps are:

 - A letter will be drafted to the Whistleblower and sent from the Chair of the APR once reviewed by our solicitor
 - The SHR will be provided with the investigation report, the post employment complaint report and the minutes from the meeting
 - ELT will implement the recommendations and a progress report will be provided to the APR committee in February 2023
- Decision** The Board:
- **Noted** the outcome and the next steps

3.4	People Committee (PPL 29th September 22)	<p>Alan Stewart provided an update from the People Committee who:</p> <ul style="list-style-type: none"> • Agreed a People performance dashboard. This will be further refined and will be presented to the next meeting in March 2023 • Reviewed the Equalities, Diversity & Inclusion Plan was presented demonstrating the progress towards collecting and using data to enhance decision making. • Agreed to defer Investors in People assessment to 2023. • Approved the Family Friendly and Time off Policies and agreed that a Menopause policy is required. • Asked HR to consider what resource is required to deliver on key People projects in the coming year and to present a paper offline to Committee. 	
4	Matters Arising	<p>Any actions recorded at the end of the minutes will now be discussed at this item. There was nothing to note at this meeting.</p>	
Decision		<p>This report outlined the assumptions and principles to be applied during the preparation of the Hanover budget for 2023/24.</p>	
5.	Happy Customers	<p>The Board discussed the key areas within the paper presented including the potential for rent increases and effect that the economic environment has on pay increases.</p>	
5.1	Core Financial Assumptions and Rent Increase Proposal	<p>The Board were presented with the basis for modelling to allow choices to be made once there is more certainty around the economic environment. It was noted by the Board that it is difficult to make any firm decisions given the uncertainty in the economic environment and the potential extension of a rent increase freeze.</p>	
Report Summary		<p>The Board agreed to move away from rent and salary increases linked to CPI for one year and agreed this will need to be reviewed in coming years.</p>	
Discussion		<p>The Board requested that an update is presented in the January 2023 meeting.</p>	DH
		<p>The Board queried the average rent reported in the Annual Report when compared to the peer group and Scottish average. It was clarified that peer group figures were not included in the Annual Report but the Scottish average includes Service Charges and this explains why it is out of line.</p>	
		<p>It was agreed the Performance Report needed to be clearer and have an explanation of the rent table and how the service charges impact the ability to compare to the Scottish average.</p>	EM

	<p>It was agreed that future reporting to tenants needed to include comparisons to peers and that consideration needed to be given to who included in that peer group.</p> <p>Board agreed that a fuller consultation with the full workforce on an appropriate wage increase would be beneficial to help inform what to do going forward. This will be picked up once we understand the position at the January 2023 Board.</p> <p>The Chair requested an update to be provided at the informal board catch up on 24th November 2022.</p>	EM
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and approved the initial assumptions as detailed in Appendix 1 to allow for the Finance Team and Budget Managers to proceed with the preparation of the Budget for 2023/24. • Board approved a move away from rent increases and salary increases linked to CPI 	
5.2	Management Accounts 2022-23 & Full Year Forecast	
Report Summary	This report sets out our financial performance and full year forecast to the Board for the five months to August 2022.	
Discussion	<p>An update was given and noted that work around customer compliance means that there will be an overspend in this area. This is offset by an underspend in Planned Maintenance. This is being monitored closely.</p> <p>The Chair raised a query about Telecare being almost at breakeven point. The Board were advised that the business development plan for Telecare is being reviewed and that a paper will be presented to Board in the new year.</p>	AC / CM
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and commented on the report. 	
5.3	Customer Services Update	
Report Summary	This report provided an update on the range of activities being undertaken within Customer Services and the Factoring Service.	
Discussion	The comprehensive report was noted and no further questions were raised by the Board.	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered the report 	
5.4	Disposal of properties	
Report Summary	This item is confidential and is included in the confidential minutes.	

6.	Desirable Homes	CM
6.1	Fuel and Laundry Equipment Contracts	
Report Summary	<p>This report sought approval for two contracts that have been procured recently and are out with the approval limits contained within the Scheme of Authorisation and Approval.</p> <p>The report also provided the Board with an update on the impact increasing energy costs will have on our tenants and how we are supporting them.</p>	
Discussion	<p>The Chair confirmed there was no real alternative than to approve the electricity contract and that Board needed to homologate that decision. There was a discussion about the impact of rising energy prices on customers and how Hanover can respond to this.</p> <p>The Board asked if everything is being done to reduce energy costs or maximise efforts to keep tenants warm. Warm spaces were suggested as an option to explore.</p> <p>Consideration is to be given to increasing the bad debt provision to allow for a rise in rent arrears if tenants are unable to pay for both utilities and rent.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the electricity contract • Approved the laundry equipment contract 	
6.2	Customer Safety Compliance	
Report Summary	<p>This report provided an update to Board on work to achieve assurance of our compliance with customer safety requirements.</p>	
Discussion	<p>The Chair noted that the Board were looking for assurance that areas that were previously thought to be compliant but were not were being managed and that monitoring systems were in place. .</p> <p>It was advised that using a manual system had weaknesses and that the plan is to identify the current position and move to become compliant and then implement a new digitized system to minimise risk. The Board requested an update on progress in November.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the content of the update and that identification of these issues means that we are not currently compliant with the regulatory framework and the impact that has on our assurance statement this year. 	
6.3	Development & Assets Update	
Report Summary	<p>This report provided the Board with an update on current new build and remodelling activity and identifies risk and mitigation. It also provides information on the key work underway within the assets service and includes proposals for the disposal of Hanover's Assets.</p>	

Discussion	<p>The report was presented to the Board. Board homologated the decision made by the Chair for the disposal of the 2 shared ownership properties.</p> <p>A query was raised over the low number of new properties being developed. It was clarified that work is continuing to analyse what development has been done in the past and what might be done in the future. This will be presented at the Board strategy day on 24th November.</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 & Remodelling activity○ Position with our Reactive and Gas servicing contracts○ Noted the update on our Planned Maintenance Programme• Homologated the decision by the Chair for the disposal of the shared ownership property at 41 Walton Court and the disposal of the shared ownership property at 30 Rose Park, Peebles
7.1	Annual Assurance Statement 2022
Report Summary	<p>This paper set out the process by which Hanover has assessed its compliance and assurance against the SHR Regulatory Framework. The paper confirms our proposal for the Annual Assurance Statement – which outlines that we comply with all of the Regulatory Framework but are working towards compliance in matters relating to compliance with legislation and regulation of customer safety.</p>
Discussion	<p>The Board were updated with the process that has been carried out to collate and allow the Board to review evidence. It was explained that the situation with Customer Compliance means that the statement has to acknowledge that Hanover are working towards compliance in that area. It was raised by some Board members that it is difficult to review all the evidence presented and then sign off a direct statement about compliance. Board members would like the statement to be shorter and to use language like “to the best of our knowledge and belief”.</p>
Decision	<p>The Board:</p> <ul style="list-style-type: none">• Reviewed and discussed the progress made to date on the Assurance Framework.• Agreed that, based on the completed toolkit and supporting evidence, our assessment that for the majority of areas we are compliant, and that we are working towards compliance in the area of Customer Safety.• Approved the draft Annual Assurance Statement subject to the change in wording.• Agreed that the Chair and Chair of APR Committee would sign off the amended statement to allow submission in line with the SHR timescales.
7.2	People and Structure Updates
Report Summary	<p>This report provided an update to the Board on the potential risk of redundancy in two services within our organisation. The report sets out the background to both small scale service reviews and the potential costs associated with them.</p>

WR

Discussion	<p>No questions were raised in relation to the changes presented. It was noted that Hanover should explore all purposeful outcomes for individuals affected by potential redundancy.</p> <p>The Chair did note that in the ICT service there is not a post that has Network Security as the core element of their role. It was explained that other provisions were in place and that Hanover have recently become Cyber Essential and Cyber Essential Plus compliant. Along with the elements included in other job roles and external support Hanover is protected.</p> <p>The Chair asked for a paper to be presented in the future to demonstrate the Hanover is covered.</p>	DH
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and Commented on the potential impact on employees in terms of redundancy 	
7.3	Governance Matters	
Report Summary	<p>The Governance Matters paper set out updates and decisions required on various governance topics now and for the year ahead.</p>	
Discussion	<p>No questions were raised in relation to the report.</p>	
Decision	<p>The Board:</p> <p>Approved the:</p> <ul style="list-style-type: none"> • Applications for Membership • Schedule of Meetings 2023-24 	
7.4	Board Member Annual Appraisal 2022	
Report Summary	<p>This report provided a consolidated view from the Board during their Annual Appraisal process about the governance and progress made in Hanover over the last year. The report, written by the Chair and Vice Chair, sets out the recommendations from the Board. The cover paper sets out the Executive Team's response to the report and details an action plan to take forward in the coming year.</p>	
Discussion	<p>The Board asked that a half year review of the actions with progress being updated to each Board meeting. The deep dive topics have to be aligned to the Forward Plan. The role of Portfolio Lead will be developed.</p>	
Decision	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the consolidated report from the Annual Appraisal process and gave feedback on the proposed action plan and process for implementing the recommendations. 	
8.	AOCB	
	<p>No other business was raised at the meeting.</p>	

Chairperson: Gary Devlin

Date

