

Board Meeting Minutes

Minutes of a meeting held at 3.30pm on **Thursday 23 March 2023** via Microsoft Teams

Present Gary Devlin (Chair), Ashley Campbell, Fraser Mitchell (arrived 4pm), Louise Reid, Rob Rowe, James Rowney, 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)

Apologies Adele Erwin, Julia Fitzpatrick, Jo Roger, Cathie Wyllie (leave of absence)

1.	<p>Introduction & Apologies</p> <p>The Chair welcomed Board Members to the meeting. All Members were happy for the meeting to be recorded. Apologies were accepted from Adele Erwin, Julia Fitzpatrick and Jo Roger.</p>
2.	<p>Declarations of Interest</p> <p>All officers present declared their interest in item 5.1 Pay Framework Review as they are all affected by the Pay Review.</p> <p>The Board confirmed that they were happy for all officers to remain in the meeting for the discussion.</p>
3.	<p>Minutes</p>
3.1	<p>Board Minutes (BRD13 January 23)</p>
Decision	<p>The Minutes were agreed and approved as a correct record and signed by the Chair following the meeting.</p>
3.2	<p>Audit, Performance & Risk Committee (AUD10 February 23)</p>
Discussion	<p>In the absence of the Audit, Performance & Risk Chair, JR gave an overview of the meeting.</p> <p>The Chair queried if there were any issues covered that should be raised at Board level. JR advised that there were no matters requiring specific Board attention.</p>
Decision	<p>The Board noted the update.</p>
3.3	<p>People Committee</p>
Discussion	<p>ACam noted that the paper on the agenda today (item 5.1 Pay Framework Review) and gave an update noting:</p> <ul style="list-style-type: none"> • It was a 2 paper agenda. • Executive Pay Award 2023-24 – was the first item on the agenda. As members will know Executive pay award decisions fall within the remit of the People Committee and do not form part of the GMB agreement for negotiation of pay. The People Committee has approved the proposal for ELT pay to be aligned

to the proposal for the rest of the workforce– with a 5% Cost of living to be applied and an automatic increment for one of the Directors (2 are already at the top of their scale). Committee also approved that the new Director of Assets be recruited at point 3 of the scale.

- **Pay Review** - Committee went through the full presentation that had been communicated to Staff members at the Hanover engage events. Committee discussed all of the proposals at length and were very supportive of all that had been done by the officers to get us to this stage.

Post Meeting Note: *The Executive Pay Award will be implemented at the same time as the full pay review.*

Decision

The Board **noted** the update.

4

Matters Arising

4.1

It's Good to Know

Report Summary

This provided Board with an update on key issues happening in Hanover that are not included in Board papers through the formal Board or Committee meeting cycle

Discussion

The Board queried service charges and the scale of the impact to customers and are aware that a package of mitigation measures would be brought to Board in May but wanted to know what measures were currently in place. WR advised that this topic is at the forefront of all ELT meetings, and although the paper was not being brought to Board until May, wanted to reassure all that work was being done now.

CM advised that there was a lot of work going on in the background and noted that because the service charge increases vary throughout our stock, we are targeting customers that are most affected and addressing their concerns. Our Welfare Officer has visited a development in Aberdeen to give advice on benefits and accessing our welfare funds. Communications regarding benefit advice and our welfare funds have been advertised to all our customers. Work around the fabric first approach to buildings to look at the heating and additional works that can be done to reduce the cost of heating to our customers has started. CM noted that our customers have not received their increases yet as this is effective from 1st April and would be better placed in May to advise the impact of the increases to our customers and were currently preparing KPIs accordingly.

The Board noted that there had been a significant increase in communication from customers on the Hanover Blether (Facebook) platform regarding this subject and queried how these comments were responded to and how the service charge increases were communicated to customers. WR advised that this is a forum for customers and our Communication Team monitor comments and notify housing staff of any comments that may need addressed. The housing team would speak to the individual directly instead of commenting on individual circumstances on the forum. CM advised that there was an article in the Grapevine in autumn last year alerting customers to the potential increase along with informing them of the same at development meetings.

The Board asked that we put a standard comment onto the Hanover Blether to quell concerns and to highlight all we are doing. Board recognised that this was a customer forum, however confirmed it was important for Hanover to have an online voice at key strategic points.

WR

The Board noted that the service charge rises may make Hanover uncompetitive and thus see an increase in voids and queried if there was a certain level of increase that has been capped. DH explained that the position will be looked at year end and whatever spare capacity we have we will create provisions, but we do not have a clear picture just now but will do whatever we can to make sure there is as much mitigation in place as possible.

The Board noted that they would like to have a consolidated paper by early April to highlight what measures are currently in place. It was agreed that this could be sent out and noted that we have a detailed analysis on which developments are most affected and we do have some developments that are not affected, so the impact on individuals therefore vary considerably. Another easy read document would also be issued to tenants to remind them of the increases and support available.

CM

4.2

Board Action Plan

Decision

The Board **noted** the update.

5.

Strategy Spotlight

5.1

Pay Framework Review

Report Summary

This paper sets out the proposals for a new Pay Framework, and updated benefits package. The proposals have been taken to our employees through Hanover Engage Events in the last month, and feedback from those events are included in the paper. People Committee scrutinised the proposals at their meeting on 9th March and are in support of it. The paper includes progress regarding our formal employee engagement framework.

Discussion

The Chair noted that this paper had already been presented to the People Committee and noted that it was a sensible approach which addressed many of the higher-level issues of pay with a strong engagement with employees resulting in a well-developed policy.

The Board noted that after a successful probationary period an employee would automatically move to point 5 of the pay salary and queried if employees agreed if this was fair. WR advised that feedback received was that employees were doing the job and should be paid accordingly. WR noted that there may have to be a caveat in place for certain areas of the business unable to recruit at the probationary point of the scale but there would have to be a process in place for this scenario.

The Board discussed performance related pay and how employees could vote without knowing how to get to the advanced point. WR advised that we would not be looking for approval on this today but once we have completed our negotiations with our recognised trade union (GMB) we would be looking to how we would co-design this with employees in the coming years and bring proposals back to Board at a later stage – given that the +5% would not become available until after the end of year 3.

The Board noted that this framework addresses the unfairness of the current system such as annual leave, fleet cars and health insurance.

The Board discussed the proposal of reducing the flexi-time benefit from 2 days per month to 1 day per month and how employees accrue the time. WR noted that there will be improvements in the processes and systems, and this would address any inefficiencies.

Discussions took place regarding the Health Cash Plan - WR gave an overview of a typical plan and advised that we are procuring this at this moment.

The Board noted that travel and the car allowance element should be considered when looking at sustainability and net zero.

The Board will be kept up to date with our negotiations with our recognised trade union (GMB).

Decision

The Board:

- **Approved** the proposed Benchmark Plus Pay Framework and associated changes to the benefits package, noting that we will continue to discuss these proposals with our union GMB.

5.2

Report Summary

Net Zero Hanover Sustainability Plan

This paper introduced the draft Net Zero Hanover Sustainability Plan to allow Board to scrutinise and consider the content and focus of our approach.

Discussion

The Board were advised that this was a first draft to capture the priorities and for the next stage while we employ our Head of Sustainability and focus on the next stage where we will have more information, greater skills, and an up-to-date understanding of our existing stock.

The Board noted that they were happy to see the plan as this was one of the key strategic areas that the Board had previously discussed.

Board members noted that perhaps going forward when papers are brought together, how sustainability is impacted should be considered.

WR

Decision

The Board:

- **Approved** the plan and **considered** and **commented** on the:
- 3 focus areas and the aims and targets set out in each delivery approach in Phase 1 being mainly on Our Operations and Our People
- Development of the Net Zero Hanover Team to lead the development of the Action Plan and be major ambassadors for change.

6.

Desirable Homes

6.1

Development & Assets Update

Report Summary

This report provided the Board with an update on current new build and remodelling activity and identifies risk and mitigation. It also provided information on the key work underway within the assets service.

Discussion	<p>CD highlighted the following:</p> <ul style="list-style-type: none"> • Customer Safety: automation of the compliance function - interviews lined up with several suppliers. • Damp & Mould: 31 cases remain ongoing, with a revised robust procedure in place. • Stock Condition Survey: still ongoing to conclude in April with information available sometime in May. • Asset Management Strategy Review: recently held a workshop for all key employees to provide updates for the next 18 months. <p>The Board queried the damp and mould cases that were still ongoing and noted that there were 3 cases with lack of heating. CD clarified that this was due to tenants not heating their homes for whatever reason not that the heating was faulty. CD noted that tenants are signposted to our welfare officer and energy costs funding support and advice services.</p> <p>The Board were advised that the Leancoil site in Forres was bought by the community and created a trust. They are going through a legal process to transfer the land and are very keen for Hanover to be the older people's specialist partner. This is at an early stage but was added to the report to make the Board aware of this exciting opportunity.</p>
Decision	<p>The Board reviewed and commented on the:</p> <ul style="list-style-type: none"> ○ Current development & Remodelling activity ○ Update on progress within customer safety ○ Position with damp cases ○ Strategic projects progress
6.2 Report Summary	<p>Landscape & Maintenance Contracts</p> <p>The purpose of this report was to seek Board approval for the new Landscape Maintenance Frameworks and to provide an update on the progress of Reactive Repairs Framework and the plans for seeking Board Approval</p>
Discussion	<p>The Board discussed the Open Space Maintenance Contract tendering results and noted that there was only one bidder (Lot 1) and were concerned that this may cause problems relying only on the one contractor if something happened with that contractor but may be good to see sight of the demographics of the area tendered as this may be a rural area that would not have many contractors interested to tender. The Board queried how scoring quality was determined and what the quantitative questions were. CD advised that we look at health and safety, methods of work and fair working practices, she also noted that within the reactive contract we also look if bigger contractors have a sustainability policy and if smaller contractors are members of the ISO.</p>
Decision	<p>The Board approved a new Landscape (Open Space) Maintenance Framework and the appointment of contractors to it.</p> <p>The Board:</p> <p>Considered and commented on:</p> <ul style="list-style-type: none"> • Plans to complete a validation / clarification exercise on the costing provided and the development measurements provided. • Plans to carry out one priced visit by current contractors whilst validation is completed.

- The progress plans and timeline for approval of the Reactive Repairs Framework.

7. Resilient Organisation

7.1 Annual Budget 2023-24

Report Summary

The purpose of this report is to present Board with the forecast out-turn for 2022/23 as well as the proposed budget for 2023/24. There is a base budget proposal with various scenarios modelled for consideration.

Discussion

The Board noted the total amount of void properties (195) appeared high and DH advised that there had been some system issues that were delaying turnaround, but they have now been resolved and reassured the Board that we will be back refocusing on the number of voids over the next couple of months.

JR queried the Service Equalisation balances of £1.5m and whether that it had released. DH advised that not all of this had been released and explained that we carry about £6.5m of service charge balances and channelled £1.5m towards energy costs and the remainder £5m would be set aside for other reasons. Developments have built up high balances that will help mitigate increases going forward but there is maybe a commitment for equipment and replacements of furniture and fixtures. DH advised that not all developments will have pots of money.

The Board noted that Telecare costs had increased by 5.3% compared to the level of income at 3%. DH advised that the increase in costs was mainly due to staffing but also advised that we have a new pricing model that addresses the contracts which traditionally have not made that much money. Contracts have been looked at on an individual basis and we have changed the way we are allocating costs. DH advised that more information can be provided.

The Board queried why Overheads were increasing and DH advised that salaries would be increasing but there was not one big area that was increasing but a further breakdown of the overheads could be provided.

DH

Board Members queried what planning had been done regarding our realisable property assets particularly in the context of all the work done regarding voids. DH advised that we are doing some remodelling but as we work through our sustainable piece, we will look at it on an individual basis to ascertain if those developments are sustainable for the future.

Decision

The Board:

- **Considered** and **commented** on the contents of the report and **approved** the proposed based budget and considered the scenarios provided.
- **Considered** and **approved** that any proceeds from the sale of former Arklet scatter flats be used to invest in the properties.
- **Noted** the likelihood of a write off being required in relation to service charge as deemed irrecoverable.
- **Approved** the creation of a provision for services charges in the current year 2022/23 where recovery is doubtful.
- **Approved** the next phase of the Service Charge to Rents transition.

7.2	Strategic Risk Register
Report Summary	This report provided Board members with an updated Strategic Risk Register, aligned to the Corporate Strategy following the Board Strategy Day discussion in November 2022. It also provided an update on our Risk Management Framework (RMF).
Discussion	WR advised that the Strategic Risk Register was aligned to the Corporate Strategy and has been updated with the feedback from the strategy day. The APR Committee meeting in February also recommended that it would be more meaningful for Board to have the implemented controls for risks included within the register as this would better service the scrutiny & management of risk. The Risk Register will continue to be scrutinised on a quarterly basis by the APR Committee by the scheme of delegation and brought annually to Board alongside the budget and business plan. The Risk Register has been shared with the Regulator. Board highlighted the importance of this as a dynamic document, ensuring that we continue to monitor and mitigate our key strategic risks.
Decision	The Board approved the updated Strategic Risk Register.
7.3	Internal Audit Tender Outcome
Report Summary	This report provided the Board with the outcome of the recent tender exercise for the provision of Internal Audit Services.
Discussion	The Board acknowledged that the tender had been through a process which the APR Committee approved.
Decision	The Board approved the recommendation from the APR Committee to appoint of Henderson Loggie as Hanover's internal auditors.
7.4	Health Safety & Wellbeing Quarterly Report
Report Summary	This report provided an update to the Board on all Health Safety and Wellbeing (HSW) reporting since April 2022 and an update on the progress of the Health, Safety and Wellbeing Plan. The report also included specific information on Accidents, Incidents and Near Misses for Q2 & Q3.
Discussion	The Board queried if there was anything further that could be done about falls as many falls can result in hospitalisation. WR advised that we did a Slip, Trips and Falls campaign last year and are now in communication with an expert in looking how we will further review, record, and analyse slips trips and falls and improve processes that we have in place.
Decision	The Board considered and commented on: <ul style="list-style-type: none"> • The current stats and performance levels around Health Safety and Wellbeing (HSW) • The progress on the deliverables contained within the Health, Safety and Wellbeing plan.
7.5	Governance Matters

Report Summary

This paper sets out updates and decisions required on various governance topics now and for the year ahead.

Discussion

The Board queried if there could be a process if a Board member was unable to attend a meeting but had sent in questions/comments if there was a way that this could be recorded in the minute. WR advised that this will be incorporated going forward.

WR**Decision**

The Board **considered** and **commented** on the:

- Notifiable Events update
- Update regarding the SHR Annual Meeting & Engagement Plan
- Board Recruitment Plans
- Board Appraisal Action Plan

Approved the:

- Application for Membership for Mrs Carol Anne O'Brien
- Extension to the Leave of Absence for Cathie Wyllie
- Draft Modern Slavery Statement 2023-24

8.0**Discussion****AOCB**

MW queried if there was any thought regarding focusing on funds that staff could apply to, during the cost-of-living issues. WR confirmed that we were already doing signposting for staff to support with cost-of-living issues and that a verbal update would be given at the next Board meeting.

WR

AC advised that that many employees had been in touch after receiving the cost-of-living payment (£300-£400) and expressed their gratitude to the Board.

Chairperson: Gary Devlin

Date: 25 May 2023