

Board Meeting Minutes

Minutes of a meeting held at 3.30pm on **Thursday 21 March 2024** via Microsoft Teams

| | |
|----------------------|---|
| Present | Gary Devlin (Chair), Ashley Campbell, Adele Erwin (left at 4.30pm), Kathleen McAdams, Fraser Mitchell, Christa Reekie, James Rowney, Donald Taylor, 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), Maurissa Fergusson (Director of Asset Management) |
| Observer | Donna Bogdanovic (left at 4.45pm) |
| Apologies | Alan Stewart, Rob Rowe, Bryony Willett |

| | |
|-------------------|--|
| 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 Rob Rowe, Alan Stewart and Bryony Willett.</p> <p>The Chair welcomed Donna Bogdanovic to the meeting, who will observe the meeting as part of her own governance learning & development. Donna is the chair of Melville Housing Association</p> |
| 2. | <p>Declarations of Interest</p> <p>None declared.</p> |
| 3. | <p>Minutes</p> |
| 3.1 | <p>Board Minutes (BRD19 Jan 24)</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 (AUD14 Feb 24)</p> |
| Discussion | <p>The Chair of the APR Committee provided a summary of the matters discussed at the February 2024, a copy of the drafted minutes was contained within the board pack issued to Board.</p> |
| Decision | <p>The Board noted the update.</p> |
| 3.3 | <p>People Committee (PPL7 Mar 24)</p> |
| Discussion | <p>ACa of the People Committee provided a summary of the matters discussed at the March 2024 meeting, noting:</p> <p>Executive Team Pay 24-25</p> <ul style="list-style-type: none"> The Committee approved 4% pay increase & increment to point 4 on scale for the Executive Team – which aligns to the 4% already agreed for the employee group. They also discussed the benchmarking of the CEO salary and requested a process for formalising the Target Setting & Review for the CEO. <p>Employee Engagement forum Update</p> <ul style="list-style-type: none"> The committee were pleased with the progress on getting the Forum set up, noting that GMB have worked co-operatively with us. There is a plan for the Forum to be up and running in Q1 of the new financial year. <p>Scottish Living Wage</p> |

- The Committee heard our progress in moving towards being a SLW employer, and we will achieve that one year ahead of our original plan.

People & Engagement Strategy Action Plan

- An update was provided on the work now being pulled together into our action plan following approval of the P & E Strategy at Board in January.

Assets Team

- Committee received an update on challenges within the structure of our Assets Team, now that structure and accountability is being formalised by the new Director of Assets.

The Board acknowledged the huge amount of work that has taken place and the array of initiatives that are underway.

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 discussed the Leadership programme and are looking forward on how this will develop.

Decision The Board acknowledged the update.

4.2 Board Actions

Report Summary This provided Board with an update on outstanding Board Actions.

Discussion None

Decision The Board noted the update.

5. Strategy Spotlight

5.1 Happy Customer Strategy Delivery & Survey Results

Report Summary The paper provided an overview of a detailed plan of action to address the major change Hanover is undertaking and includes the results from the large-scale customer satisfaction survey. The paper also included a copy of the draft Customer Engagement Plan that is an important element of the Happy Customer Strategy.

Discussion A slide pack presentation had been issued separately to Board members and CM gave a brief overview of the Happy Customer Strategy Delivery & Survey Results.

CM explained that Hanover's ambition is to ensure customer happiness, as outlined in both the corporate strategy approved in 2022 and the Happy Customer strategy approved last year. CM acknowledged that 2023 was a challenging year particularly due to the cost-of-living crisis and issues within the asset management. The Tenant Satisfaction Survey received a 40% response and indicated a decline in satisfaction across all primary questions compared to the previous survey in 2021.

The Board queried how our customer satisfaction results compare to our peers and CM explained that there were sector wide declines (average of 4%) in satisfaction and noted the Scottish Housing Regulator (SHR) have a useful tool whereby we can compare our results with our peers. The Board noted that our rates are sitting higher (8%) than our peers. The Board noted that the scale of the decline is concerning, and CM advised that we have been working on a robust strategy over the last two years to address these concerns.

CM highlighted that Transactional Surveys, which provide immediate feedback after a customer interacts with Hanover have significantly higher satisfaction rates.

The Board queried the numbers of tenants who responded to the Transactional Surveys and CM advised that he would be able to share this information after the meeting.

Post Meeting Note:

CM issued Transactional Survey information to Board.

The Board discussed the survey results and noted the decline in satisfaction (indicator 5 – opportunities to participate in decision making) and AC explained that there are numerous opportunities for tenant involvement in decision making processes such as rent setting and contracts for reactive repairs or landscaping, but these may not be perceived as engaging for tenants. Despite regulatory requirements, it is important to tailor engagement to align with what matters to tenants, and our Customer Engagement Plan is trying to address this.

The Board queried if the survey only contained quantitative feedback. CM advised that there was also qualitative feedback that is analysed as part of the process.

Discussions regarding the Happy Customer Strategy took place and the Board queried if there are separate plans that sit alongside the three workstreams. DH explained that for example SMART homes are already aligned with the Digital Plan and sits primarily within our Design Guide that is being reviewed by the Asset Management Team. CM also confirmed that all the categories listed under the three themes are aligned within relevant plans. MF noted that the Design Guide is being reviewed this year with the aim to engage with tenants to allow them to be part of this journey with us.

Board discussed Modern Homes and MF explained our approach to future proof our homes by aligning with the Scottish Housing Net Zero Standard and integrating green agenda principles, digital advancements, and modern living concepts. We have provided feedback to the Scottish Government's consultation, and we have made allowances from Year 5 onwards in its planning processed to accommodate any necessary adjustments or implementations required by new policies or regulations.

The Board noted that tenants gain more than just their house and were pleased to see that we were tackling social inclusion social isolation and discussed our volunteering initiatives. CM noted that our volunteering initiatives are picking up again after Covid and advised that we have many plans on how to grow this further.

(AE left meeting at 4.30pm)

The Board discussed the Customer Engagement Plan and noted the importance of aligning the plan with tenants needs and preferences ensuring accessibility and incorporating co-design principles to enhance its effectiveness and relevance.

Decision

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

- Satisfaction Survey Results
- Happy Customer Work Plan & Year 1 Priorities for Year One

The Board **approved** the:

- Customer Engagement Plan

5.2

Annual Budget & Business Plan 2024-25

Report Summary

This report is present to the Board with the forecast out-turn for 2023/24 as well as the proposed budget for 2024/25. There is a base budget proposal with various scenarios modelled for consideration.

CM

| | | |
|-----------------------|--|----|
| | <p>Also included is the updated Business Plan including the five-year and thirty-year plan to allow the Board to assess the medium- and long-term impact on the business.</p> | |
| Discussion | <p>DH gave a brief overview of the budget considerations, focusing on key elements such as the investment plan, covenant calculations and capital expenditure.</p> | |
| | <p>The Board discussed financial targets, particularly what we want our operating surplus to be. DH advised that we have not yet established specific targets but intend to develop them in the future. Our current priority is to focus on catching up with the investments that were delayed due to the impact of Covid. DH noted that financial decisions are currently driven by the need to adhere to covenant requirements and noted the possibility of renegotiating covenants or exploring alternative financing options which may offer more flexibility than traditional loan agreements.</p> <p>(DB left meeting at 4.45pm)</p> | DH |
| | <p>The Board noted that it would be beneficial to have discussions to determine targets with benchmarking or comparisons from our peers. DH agreed that this could be included in the Business Plan.</p> | DH |
| | <p>AC noted that housing association finance is complex due to the various rules and regulations they must comply with, including the regulatory overarching framework and suggested we could organise an hour-long session to provide a guide and clarification on how it all works. Board agreed that this would be beneficial and could perhaps be carried out before the in-person Board Meeting in November (21 November 2024 – to be held in the West office in Glasgow).</p> | DH |
| | <p>DH gave a brief overview of the Business Plan explaining that it has undergone updates to ensure alignment with our overarching strategy adding that one proposed addition to the plan is the inclusion of a £10million provision specifically for Net Zero and sustainability initiatives. DH also confirmed that KPIs related to financial ratios such as overheads and earnings before interest and tax compared to turner can also be incorporated to the plan to provide more comprehensive financial metrics.</p> | |
| | <p>The Board discussed the importance of considering the implications of the health and care context within the plan and the consequences of not adequately addressing these challenges. AC suggested developing a scenario that addresses potential challenges and risks related to our care and support services.</p> | DH |
| | <p>AC shared confidential information that the regulator (SHR) has recently sent us Hanover’s Draft Engagement Plan 2024-25 and noted that they acknowledged our compliance with regulatory standards. AC noted that the regulator intends to maintain a level of engagement that reflects our systemic importance. This will be published on 2nd April and will be brought to the Board as part of the Governance Matters Paper in May.</p> | WR |
| Decision | <p>The Board:</p> <ul style="list-style-type: none"> • Considered and commented on the report and approved the proposed base budget and consider the scenarios provided. • Approved the Business Plan for 2024/25 • Noted the likelihood of a write off being required in relation to service charges as deemed irrecoverable. • Approved the next phase of the Service Charge to Rents transition. | |
| 5.3 | <p>Strategic Risk Register</p> | |
| Report Summary | <p>This report provides Board members with an updated Strategic Risk Register, aligned to the Strategy & Business Plan It also provides an update on our suite of operational risks.</p> | |

| | | |
|-----------------------|---|-----------|
| Discussion | WR provided an update of the Strategic Risk Register. Board noted this was a very good document. | |
| Decision | The Board Approved the current Strategic Risk Register | |
| 6. | Happy Customers | |
| 6.1 | Allocations Policy | |
| Report Summary | This report updated the Board on work to develop an Allocations Policy for Hanover’s sole use following the dissolution of the Joint Allocations Working arrangement with Bield and Trust. | |
| Discussion | <p>CM provided a brief overview explaining that Bield, Hanover and Trust had mutually agreed to end the joint allocations arrangements that we had operated for several years and that we had developed our own standalone Allocations Policy, allowing for more flexibility and control. Only one change in the new policy required Board approval (item 3.6 on the report), this change involves expanding the client group eligible to receive additional points for under-occupying their current home. Currently only social housing tenants are eligible, but we aim to extend to all individuals who are under-occupying their housing, thereby increasing the number of applicants eligible for these points.</p> | |
| | <p>The Board was concerned that this change may make it more complicated for people to find their way to Hanover as applying to multiple landlords can be quite burdensome. The Board noted that given our past challenges with voids that it is crucial that we consider how we ensure that prospective tenants can easily find us. CM advised that the risk of this is limited as most of our prospective customers usually have a Hanover development in mind when applying and that the unified branding we can now employ will lead to clearer signposting and a smoother customer journey through our allocation process.</p> | CM |
| | <p>The Board noted that it would be beneficial to see sight of the Allocations Policy and the corresponding Equality Impact Assessment (EIA) and the consultation process with tenants, noting that a summary of the EIA would be beneficial to be included in the covering paper in future.</p> | CM |
| | <p>Post Meeting Note: CM issued Allocations Policy and EIA information to Board.</p> | |
| Decision | <p>The Board:</p> <ul style="list-style-type: none"> • Approved the proposal to make a change to the Underoccupancy criteria in the refreshed version of our Allocations Policy. | |
| 6.2 | Telecare Progress Report | |
| Report Summary | The presentation provided an update on Telecare Performance. | |
| Discussion | <p>CM gave a brief overview of the presentation and having demonstrated ability to maintain the interim KPI set by TEC-Quality of 94%of all calls answered within sixty seconds, we are now proceeding with the TEC-Quality audit, which will take place next week. CM acknowledged all the hard work from the team to get thus far.</p> | |
| | <p>The Board queried if the mishandling of a recent call response could impact on the accreditation and CM acknowledged that issues could arise periodically with telecare services for various reasons, but we have demonstrated that we are taking steps to remedy the situation and implementing measures to minimise the chance s of such issues happening again.</p> | |

CM

The Board noted that they were very pleased with this update and extended their gratitude for all the hard work from the team. The Board noted that they would like to be provided with an update once the audit has concluded and noted that they do not necessarily need to have direct oversight of Telecare unless its performance dips below acceptable levels.

Decision The Board **acknowledged** the update and confirmed they were content that no further updates were required unless performance dips below acceptable levels.

7. Desirable Homes

7.1 Development & Assets Update

Report Summary This report provides the Board with an update all functions within Asset Management.

Discussion MF noted that the Warden Call Servicing approval was sought out with Board meetings and that it had been homologated on 5th February 2024, and provided an overview of the paper.

The Board discussed the Damp and Mould Case management and queried the February total (104) and health implications, MF advised that the totals provided on the table were accumulative totals and noted that she is not aware of any health issues resulting from the damp cases.

The Board queried how new developments are identified. AC advised that there had been a large piece of work undertaken to determine which local authority areas are strategically important to us, important factors such as a sustained older population in an area, population decline, local authority planning and presence of the organisation.

Decision The Board, **reviewed, approved and commented** on the:

- Current development & remodelling activity
- Update on progress within the customer safety service
- Update on damp and mould cases
- Property disposals
- Net zero/sustainability
- Update on the capital programme

7.2 Trust Tenure & Factoring Update

Report Summary This paper sets out a proposal for Hanover to transfer its Trust Tenure properties to a Shared Ownership model in collaboration with the Trust Tenure Occupancy Holders. It also provides an update on the implement the Strategic Factoring Review.

Discussion DH provided a brief update on the current model (Trust Tenure) and the basis for change.

The Board discussed the current model, and all agreed that it was an easy decision to agree with the proposal.

Decision The Board:

- **Approved** the proposal for the Trust Tenure Properties to move to Shared Ownership.

The Board:

- **Considered and commented** on the update on the implementation of the Factoring Review.

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 WR gave a brief overview of the paper and confirmed that the Discussion on Extension of Tenure Chair (item 5) will be discussed at the May Board

meeting. WR noted that a Notifiable Event had now been raised for item 1.2 (withdrawal of our factoring services).

WR apologised that she had added CR to the Assurance Statement Plan 2024 update (item 4.5) in error and confirmed that BW and Aca were happy to take part in the review this year and WR noted that she will confirm with AS to ascertain if he is available to be involved this year.

Post Meeting Note:

Item 4.5 amended and AS has confirmed that he will take part in the Assurance Statement 2024 review.

The Board discussed the Board Appraisal Action Plan and discussed the opportunity to visit developments and a Board member noted that they were still waiting to hear about a potential visit. WR advised that she would investigate.

Post Meeting Note:

Development visits dates and timings have been confirmed and arranged for the relevant Board Member.

AC reminded the Board that correspondence regarding the Factoring withdrawal would be issued next week and to be mindful that we may receive negative media coverage.

WR

Decision

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

- Notifiable Events update
- Board Appraisal Action Plan
- Board appraisal Action plan for 2024
- Board Platform Implementation
- Assurance Statement Plan - providing confirmation of volunteers to review the Assurance Framework in June
- Extension of Tenure Plans for Chair
- Resignation of the Director of Customer Services

The Board **approved** the:

- Membership application for Mr Iain Stewart Lumsdaine.

9.

AOCB

Discussion

None

Chairperson: Gary Devlin

Date: 23/05/2024