

Minute
Management Board Meeting
Thursday 2 September 2021 at 7:00pm
Via Teams

Present: Mary Black (Chair), Bill Finlay (Vice-Chair), Angus Lamont, Colin Love, Michael Donnelly, Steven Travers, Mark Cunningham (Observing)

In Attendance: Jason MacGilp, Group Chief Executive & Company Secretary
 Derek Adam, Director of Finance & People Services
 Morag Boyter, Director of Business Services
 Sean Connor, Director of Customer Services
 Meg Deasley, Director of Property Services
 Nneamaka Ochuba, Audit and Assurance Manager at Scott Moncrieff
 Carolyn Owens, Governance Services Manager
 Catherine Bradley, Governance Assistant (Minute)

Report	Item	Action
1.	Board Members only There were no matters for discussion. The Chair welcomed Mark Cunningham to the meeting.	
2.	Apologies Apologies were received from Zoe Brawn and Nigel Fortnum and it was noted that the Chair and Carolyn had contacted Kelly Arrol to discuss her return to Board duties and wait to hear from her. Approved.	
3.	Declarations of interest Angus Lamont declared an interest as a Board Member of Cairn HA	
4.	MINUTES OF PREVIOUS MEETING AND MATTERS ARISING	
4.1	Ancho Board Minute – 10 June 2021 (a) The Minute of the Ancho Board Meeting held on 10 June 2021 was proposed by Bill Finlay, seconded by Colin Love and approved. Under Matters Arising a Member queried under point 10.1 Quarter 4 Management Accounts, Pension costs; He asked if Ancho Staff are in a defined benefits scheme, if that scheme is open to new starters and if there are plans to switch to a defined contribution scheme. The Director of Finance & People Services explained that current Ancho staff members are in the Strathclyde Pension Scheme. New employees (since 2019) within Ancho are employed by Cairn so by default that scheme is closed to	Approved

	<p>new members. The pension advisor (Spence & Partners) will attend the December Board meeting and explain the risks and liabilities within that scheme as well as exit possibilities. The Director of Finance and People Services will circulate a report prior to the meeting.</p> <p>The Chair noted that she would have liked to have had more detail on the 23 tenants that were contacted under Tenant Engagement and for the detail to have been included in the operations report.</p> <p>There were no further Matters Arising.</p>	DFPS
4.2	<p>CHA Board Minute – 24 June 2021 (n)</p> <p>The Minute of the Cairn HA Board Minute held on 24 June 2021 was noted.</p>	Noted
4.3	<p>Group Audit & Performance Committee – 14 June 2021 (n)</p> <p>The Minute of the Audit and Performance Committee meeting held on 14 June 2021 was noted</p>	Noted
4.4	<p>AMWG – 20 May 2021 (n)</p> <p>The Minute of Asset Management and Development Committee (previously known as Asset Management Working Group) meeting held on 20 May 2021 was noted</p>	
5.	ACTION TRACKER	
5.1	<p>Action Tracker</p> <p>The Governance Services Manager advised that once the Director of Business Services is back from holiday, she will liaise with her regarding target dates that are missing from the tracker and will update and recirculate the tracker.</p> <p>Item 3 - revised date for Meet the Board sessions. The Group Chief Executive & Company Secretary advised that with the eased Covid restrictions, this can now be arranged and will be publicised in the coming months.</p> <p>The Director of Finance & People Services informed the Board that Nationwide have still not provided an update on the information requested on the relaxation of the covenant relating to the catch up on the planned maintenance spend. He will circulate the update to the Board as soon as he receives it.</p> <p>In response to a Member query on item 12 (Five Year Financial Projections (FYFP) & Loan Portfolio SHR Submission) the Director of Finance & People Services confirmed that they had been approved at the Audit and Performance committee and the action will be marked as closed.</p>	<p>GSM</p> <p>DBS</p> <p>DFBS</p>
6.	OPERATIONAL UPDATE	
6.1	Operational Update	

	<p>The Director of Customer Services provided a verbal update in support of the written report. On Tenant Engagement, The Chair confirmed that the names of those tenants who were open to be contacted about Board member opportunities had been passed to herself and she contacted them directly. She is optimistic on 3 of the tenants who will receive application forms.</p> <p>With regards to the expansion of the welfare advice service, the Chair queried what would be involved in becoming accredited to provide money advice. The Director of Customer Services advised that it would be FCA and would provide specialist training. It will focus more on debt management.</p> <p>A Member queried if the anti-social behaviour and the fly tipping is a regular occurrence and what mechanisms are in place to tackle the issue. The Director of Customer Services advised that this issue is not isolated to North Ayrshire, it is effecting large parts of the country. Cairn are in constant dialogue with the local authority to make sure instances are reported, but clearing the rubbish would be too costly if it was to be done by Ancho indefinitely. More discussion on curbing the issue needs to be had with the local authority.</p>	DCS
7.	ITEMS FOR DECISION/APPROVAL	
7.1	<p>Audited Accounts, Letter of Representation and Audit Management Report</p> <p>The Director of Finance & People Services introduced, the Audit and Assurance Manager who provided a summary of the accounts. She advised that turnover has fallen by £90k mainly due to fallen wider role income. There was a £30k Small Steps Government grant received which was higher in previous years. Wider role expenditure has decreased £147k which has brought the operation surplus to a level which is not too variant from last year. The finance cost fell by £35k due to a fall in the loans held. £147k bank loans were repaid in the year a further £250k was drawn down from CHA. The interest charge was £49k this year in comparison to £27k in the previous year due to the further draw down. Interest in general fell from last year. There was a surplus this year of £867k compared to £749k last year. There was a nominal actuarial loss on the pension scheme this year which brings the total comprehensive income to £754k. This has no effect on cash, it just shows the impact of the change in the valuation of the pension.</p> <p>With regards to the balance sheet, there is an increase in the housing properties which is due to the £577k invested in new components which has been offset by depreciation charge of £489k. Cash reserves have increase by £249k to £439k.</p> <p>The pension liability as previously mentioned has increased from £347k to £520k.</p> <p>The river bank in Irvine where there is a potential liability of £400k, has not been included in the actual account due to the uncertainty of when any work will be required. It has been disclosed in the contingent liability.</p>	

	<p>The Audit went well, no issues have been found and clean conclusion reports have been provided. Audit adjustments have been found but they did not make any difference to the surplus or reserves figures.</p> <p>Two management letter points have been raised asking for a more detailed review of factoring arrears and older rental arrears at the yearend so that more debt can be written off. The Finance team have agreed to this and have also followed up on recommendations from the last audit.</p> <p>With regards to the Letters of Representation, standard wording has been provided and signatures will be required from the Chair and Vice Chair. The accounts will also require signatures.</p> <p>The Audited Accounts, Letter of Representation and Audit Management Report were approved.</p>	Approved
7.2	<p>Equalities Strategy</p> <p>The Chair advised that the Equalities Strategy was raised as part of the Assurance Statement and was pleased to see that one has been produced. The Vice Chair noted that the strategy does not mention positive discrimination and asked if it is something that is being considered. The Group Chief Executive & Company Secretary advised that the term 'Positive Discrimination' is discouraged in legislation and good practice. The fundamental approach is 'everyone is equal but everyone is different'. This is demonstrated through the images, languages, translations etc that is used in advertising.</p> <p>A Member noted that there is an action for customer consultation and asked if that had been carried out. The Group Chief Executive & Company Secretary said that there will be more opportunity to have a more meaningful input from the community next year if the Covid restrictions are eased.</p> <p>Equalities training is now available for the Board via LearnPro. Links to the module are on Chat.</p> <p>The Equalities strategy was approved.</p>	Approved
7.3	<p>Board Succession and Development Plan, incl proposed appointment of Office Bearers, Committee and Working Group members, Development</p> <p>The Governance Services Manager advised that the plan formed using the outcome of the annual appraisal process. She advised that the only changes from last year is that Steven Travers has volunteered for the Audit & Performance Committee and Nigel Fortnum has offered to be a nominee or deputy on the Cairn Board. 2 Members are required for the Office Staffing Committee. Mary Black and Colin Love volunteered.</p> <p>There were no new nominations for the Chair and Vice Chair positions.</p> <p>The Board Succession and Development plan was approved.</p>	Approved
7.4	Shareholding Member applications	

	<p>Mark Cunningham left the meeting.</p> <p>The Shareholding membership application received from Mark Cunningham was approved.</p> <p>Following a recent recruitment exercise, the Chair updated members on the applications and interview process. Following consideration, Bill Finlay proposed to co-opt Mark Cunningham to the Board, this was seconded by Steven Travers and unanimously approved.</p> <p>Mark Cunningham returned to the meeting and was welcomed to the Ancho Board.</p>	<p>Approved</p> <p>Approved</p>
7.5	<p>Revised Finance Policy & Regulations Sept 2021</p> <p>The Group Chief Executive & Company Secretary advised that RSM had been asked for any additional suggestions on the financial regulations and they had only recently been received so were not in the paper. He noted the comments from RSM in the Chat function on Teams so that Members had sight of them and the Director of Finance & People Services would advise how that advice would be incorporated.</p> <p>The Director of Finance and People & Services advised that the policy is not ready to be endorsed as there are alterations to be made following the new advice. The Group Financial Regulations are on a 3 yearly cycle, they were last approved in January 2020 but since then there have been a number of changes in terms of a restructure in the senior team and a fraudulent attack in May. There has been an audit and an ongoing police investigation. Following this large areas of the policy have been rewritten and elements added that detail the process that have been put in place to seek to prevent fraudulent activity reoccurring. The Director of Finance and People & Services proposed to get the revised and complete documents out to the Ancho Board by the following week for endorsement by email.</p> <p>A Member asked about IT protection in particular email masking. The Director of Finance and People & Services advised that he would continue to work with the Director of Business Services about that. The Group Chief Executive & Company Secretary informed Members that there is a separate but related data access and security policy and the two policies should be linked. This policy will be sent to the Board for information.</p>	<p>DFPS GSM</p> <p>DBS</p>
8	GROUP UPDATES	
8.1	<p>Partnership Investment Delivery update</p> <p>Colin Love left the meeting</p> <p>The Director of Property Services advised that good progress has been made over the last few month on the kitchen and roofing program. With regards to consideration of Covid and Brexit impact, the team are moving cautiously and trying to anticipate as many issues as possible. So far the program has managed to run as planned. The supply of materials is fluctuating, the focus of conversation currently within the sector is on labour supply.</p> <p>A Member asked about the supply chain restrictions, and whether there has been any word from the contractors on their feeling around the future</p>	

	<p>impacts of Brexit and Covid. The Director of Property Services advised that currently there is some optimism that current shortages are a 'blip'. A couple of Cairn contractors are taking time to submit bids, which suggests they are also being cautious. She advised that the Team are watching the situation closely and are scenario planning.</p> <p>The Director of Property Services updated the Board on the draft development strategy which had been presented to the Asset Management and Development Committee. She advised that all the feedback received has been incorporated and the Strategy will be presented to the Boards at the Joint Governing Bodies meeting in October.</p> <p>The Director of Property Services informed the Board that there was a meeting with North Ayrshire Council, and there has been a change to their Greenspace Policy meaning that they are no longer considering development at the Sofia Crescent site. The council are aware that Ancho are keen to investigate other options. The Redburn Place site has been retained in the SHIP. The Director of Property Services is hopeful that there will be alternative sites to explore for development in October.</p> <p>The Chair asked that the survey on repairs be reported back to the Board at the next meeting.</p> <p>With regards to the river bank - the Director of Property Services advised that the team are looking for engineers to assist on a remediation strategy but they have struggled to get responses and the Team are happy to take any suggestions by the Board.</p> <p>The report was noted.</p>	<p>DPS</p> <p>Noted</p>
9.	ITEMS FOR DISCUSSION/EARLY VIEWS	
9.1	-	
10.	ITEMS FOR NOTING/PROGRESS MONITORING	
10.1	<p>Q1 Management Accounts</p> <p>A Member asked if the expectation is still to get the repairs, renewals and planned maintenance spend back in line by the end of the year, given the supply chain issues previously mentioned. The Director of Finance & People Services advised that he is having meetings with The Director of Property Services to discuss what can be spent. There is a keenness to spend as much as possible this year due to the potential 1 year relaxation from Nationwide, but the position will be clearer in the next quarter.</p> <p>A member asked if there would be a risk to future cash flow if the spend is increased this year. The Director of Finance & People Services advised that the funding model is set up to keep a minimal amount of cash within Ancho and also keep the borrowings as low as possible. There is not a cash flow issue as such and there is enough money in CHA to lend on. The issue now is more the ability to spend due to supply chain issues.</p> <p>The Q1 Management Accounts were noted.</p>	<p>Noted</p>
10.2	<p>Q1 KPI's</p> <p>The Director of Customer Services provided an update on the voids.</p>	

	<p>A Member asked about the timeframe for the voids relets being back on track. The Director of Customer Services advised that the numbers are starting to come down, but for safety reasons and the current precautions following Government guidelines, there are delays getting contractors into the properties. There has been an improvement on the numbers compared to the same time last year despite these restrictions which is positive. The Director of Property Services clarified that there had previously been a 72 hour hold on properties followed by time for fogging before entering properties. The 72 hour hold has been removed but the fogging is still happening and the benefit of that is starting to be seen.</p> <p>The Chair commented that it is an overall promising performance. She asked how long it will take for legal advice to arrive for entry systems. The Director of Property Services advised that the legal advice has been received and tenants have been contacted. There is now a clear position for every block. The conclusion is that Ancho can install door entry systems where they have tenanted properties, as long as they are installed in a way where owners can gain access with a key. Most likely the option will be to give owners the option to opt in to having a handset installed in their properties as part of the contract. If they choose not to then they could not be pursued for a share of the cost. The plan is to cost based on worst case scenario and budget for the entire cost with no owner occupied contribution. The Director of Property Services suggested she provide a report with more information at the next meeting.</p> <p>The KPI's were noted.</p>	DPS Noted
10.3	<p>Report on Statutory Registers</p> <p>The Governance Services Manager noted that some of the Board Minutes had not yet been signed, they will be available for sign off prior to the AGM.</p> <p>The Report on Statutory Registers was noted.</p>	GSM Noted
10.4	<p>Risk Register and any new risks</p> <p>The Risk Register was noted and no new risks added.</p>	Noted
10.6	<p>Board Meetings Schedule/Forward Planner – in Teams</p> <p>The Board Meetings Schedule/Forward Planner was noted.</p>	Noted
11.	GOVERNANCE & REGULATION	
11.1	<p>Recent SHR publications/guidance for information</p> <p>The Governance Services Manager highlighted that the analysis of the impacts of Covid are on the Regulators website.</p> <p>The Recent SHR publications were noted</p>	Noted
11.2	<p>Governance Update</p> <p>The Governance Services Manager highlighted the details of the Special General Meeting and the Annual General Meeting on the 16th of September at the Ancho office in Irvine. The paperwork has been posted. She also updated on the recruitment process and the group annual assurance statement. The next meeting for which will be arranged shortly.</p>	

	<p>The Chair advised that she would invite the 3 tenants that she had contacted to the AGM.</p> <p>The Group Chief Executive & Company Secretary highlighted 2 regulatory matters. <i>Confidential</i>.</p> <p>A Member asked what companywide training has been implemented on GDPR. The Group Chief Executive & Company Secretary advised that there are policies in place but there are improvements to be made on regular update training. There is also a LearnPro module available for training.</p>	Noted
12.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
12.1	<p>Allocation of Property</p> <p>The Director of Customer Services advised that under delegated authority, the Chair and Vice Chair approved the allocation of a property to the relative of a member of staff.</p>	Noted
12.2	<p>Protection of Children & Vulnerable Adults Policy – adoption of CHA Policy as a Group Policy</p> <p>The Group Chief Executive & Company Secretary advised that there was no specific policy for Ancho so the Exec team under delegated authority decided that the Cairn policy would be adopted by Ancho as a Group Policy.</p>	Noted
13.	AOCB	
13.1	<p>The Governance Services Manager reminded the Board that there had been an agreement to have a joint governing bodies Board meeting in October followed by the Strategy Day the day after. The intention is to have the Board meeting on the Thursday followed by an evening meal and an overnight stay with the Strategy Day on the Friday, in Glasgow. She asked for Members to contact her with their intentions on attendance before bookings are made.</p> <p>The Chair thanked everyone for their attendance.</p>	GSM
14.	DATE OF NEXT MEETING	
	<p>28 October 2021 – Group Board Meeting</p> <p>29 October 2021 – Group Strategy Day - Glasgow</p>	

The meeting was closed at 20:40.