

Minute
Management Board Meeting
Thursday 20 January 2022 at 7:00pm via Teams

Present:

Bill Finlay - Chair
 Mark Cunningham,
 Angus Lamont
 Michael Donnelly
 Nigel Fortnum
 Colin Love
 Steven Travers
 Zoe Brawn
 Phyllis Rodgers (observer)

In Attendance

Jason MacGilp, Group CEO and Company Secretary CEO
 Derek Adam, Director of Finance & People Services DFPS
 Meg Deasley, Director of Property Services DPS
 Morag Boyter, Director of Business Services DBS
 Sean Connor, Director of Customer Services DCS
 Paul Robertson, Service Lead (South)
 Paul Andrews, Asset Manager
 Julie Sinclair, Finance Manager
 Carolyn Owens, Governance Services Manager GSM
 Catherine Bradley, Governance Services Assistant (*Minute*)

Report	Item	Decision/ Action
1.	Board Members only No session required	
2.	Election of Chair (and Vice Chair) The CEO advised that Mary Black, Chair of Ancho had resigned on 10 January 2022. He advised that she has been sent a gift and an acknowledgment of thanks and appreciation for her work on the Ancho Board and for the Group as a whole. Mary had wished everyone at Ancho and Cairn every success for the future. Members were advised that a nomination for the Chair position had been received from Bill Finlay. There were no other nominations. Bill Finlay was proposed as Chairperson until the next AGM by Jason MacGilp and this was approved by the Board.	Approved

	<p>There were no nominations for Vice Chair. The duties of the Vice Chair (and Asks & Offers) will be circulated seeking nominations for V-C.</p> <p><i>Bill Finlay Chaired the meeting from this point onwards</i></p>	GSM
3.	<p>Appointment of new Ancho Board Member</p> <p>The Chair introduced Phyllis Rodgers. The recommendation from the interview panel is that she be adopted through the casual vacancy route to join the Ancho Board. She is attending the meeting as an observer and her membership will be proposed to the parent Board for approval.</p> <p>Phyllis Rodgers Shareholding membership was Approved.</p> <p>Phyllis Rodgers appointment as a casual vacancy was Approved.</p> <p>Members and Staff introduced themselves.</p>	<p>Approved</p> <p>Approved</p>
4.	<p>Apologies</p> <p>There were no apologies.</p>	
5.	<p>Declarations of interest</p> <p>Angus Lamont declared an interest as a Board Member of Cairn HA. Steven Travers declared an interest as a Board members of Cairn HA and Cairn Living.</p>	Noted
6.	MINUTES OF PREVIOUS MEETING, MATTERS ARISING	
6.1	<p>Ancho Board Meeting Minute – 2/12/2021 (a)</p> <p>The Minute of the Ancho Board Meeting held on 2 December 2021 was approved.</p> <p>The GSM confirmed that the decision items from the 2 December meeting had been circulated via email and approvals had been received.</p> <p>There were no matters arising.</p>	<p>Approved</p> <p>Noted</p>
6.2	<p>CHA Board Meeting Minute – 9/12/2021 (n)</p> <p>The Minute of the Cairn HA Board Minute held on 9 December 2021 was noted</p>	Noted
6.3	<p>Audit & Performance Committee Meeting- 16/11/2021 (n)</p> <p>The Minute of the Audit and Performance Committee meeting held on 16 November 2021 was noted.</p>	Noted
6.4	<p>2021 AGM Minutes (n)</p> <p>The Minute of the AGM held on the 16 September 2021 was noted subject to the amendment of ‘actuaries’ to ‘engineers’ on Page 4, last paragraph.</p>	Noted

7.	ACTION TRACKER	
7.1	<p>Action Tracker</p> <p>The GSM presented the Action Tracker and asked members for comments.</p> <p>A member asked for an update on the progress on the hardship fund (item 10). The DCS advised that he, the Regional Lead South and the Area Housing Manager had looked at other hardship funds and will be meeting again to discuss the options. Subject to that, there will be a paper ready for the March Board.</p> <p>A member asked for visibility to be included on when target dates are rescheduled in the Action Tracker.</p> <p>The Chair asked for an update on the meet the Board sessions. The DBS advised that this is still Covid dependant and will discuss some options with the Chair out with the meeting.</p>	<p>DCS</p> <p>GSM</p> <p>DBS</p> <p>Noted</p>
8.	OPERATIONAL UPDATE	
8.1	<p>Ancho Operational Update</p> <p>The DCS provided a verbal update in support of the paper. The report was noted.</p>	<p>Noted</p>
8.2	<p>Pay Negotiations- EVH Update</p> <p>The DFPS advised that there has been no progress as no further information has been received yet from EVH. Information is expected by the end of January. A 3.6% increase has been budgeted. He confirmed that Ancho and Pentland are full members of EVH and Cairn HA are associate members. Ancho employees (not all Ancho staff) and Pentland staff are on full EVH terms and conditions and pay structure. The report was noted.</p>	<p>Noted</p>
9.	ITEMS FOR DECISION/APPROVAL	
9.1	<p>Rent Increase Consultation Feedback and agree rent increase</p> <p>A member highlighted that from the consultation feedback, 5 of 7 responses complained about delays to repairs and the amount of chasing that is required to ensure their repairs and maintenance issues are completed. He asked that this is investigated. The CEO advised that the tendering for the maintenance and repairs contract in the south (inc. Ancho) is ongoing and that customer service and quality checks will be a key part of the assessment during procurement.</p> <p>The DCS confirmed that responses had been given to all individuals who had flagged up a specific dissatisfaction in their responses.</p> <p>Another member asked if it would be possible to provide information on what future works the rent increase will support. It was confirmed that the rent increase only covers current services and commitments, and that CPI inflation was already ahead of the proposed figure. The DCS advised that as soon as Covid restrictions allow, he would like to have more tenant face to face engagement so that this information can be provided through alternative methods other than newsletters and on the website.</p>	<p>DCS</p> <p>DFBS</p>

	<p>The CEO advised that real challenge is the increase in prices being received from contractors. A 15% increase in maintenance costs is being budgeted. A member asked for specific commentary in the budget on how that will be managed. The DFPS said this would be included in the proposed budget in March.</p> <p>The contents of the report were Noted.</p> <p>The decision to apply a 3.1% rent increase to base rents for homes and garages for 2022/23 with an effective date of 1st April 2022; was proposed by Steven Travers, seconded by Nigel Fortnum and Approved.</p> <p>The Board Agreed that communication can go to tenants to confirm this increase.</p>	<p>DFPS</p> <p>Noted</p> <p>Approved</p> <p>Agreed</p>
<p>9.2</p>	<p>Corporate Social Responsibility Policy</p> <p>The Board are asked to approve the Corporate Social Responsibility Policy which was approved by the CHA Board (as group parent) on 9 December 2021.</p> <p>The DFPS provided a verbal background to the report.</p> <p>A member asked what process is in place to allocate the community benefit that comes through contracts. The DFPS advised that there is a community fund that allocates out grants etc to various local organisations and individual projects. As part of the procurement, this will tie into current processes. Contractors will be asked to detail how their work will benefit the local community.</p> <p>A member asked how the policy will be communicated externally. The DFPS advised that it is currently being communicated to staff. It will be issued in the tendering process and it will be available to view on the websites.</p> <p>A member asked if Cairn are a real living wage employer. The CEO advised that Ancho and Cairn does not <i>yet</i> have the accreditation, but with this policy agreed we would now seek accreditation.</p> <p>The policy was proposed by Colin Love, seconded by Steven Travers and Approved.</p>	<p>DFPS</p> <p>Approved</p>
<p>9.3</p>	<p>Factoring Admin Charges</p> <p>The DFPS advised that the uplift in fees has not been applied for a couple of years. It is a very small part of Ancho's income stream. The management fee has been sitting at £66.50. The proposal is to raise that to £70, effective of the 1st of April. It does not generate a significant amount of additional income but an increase should be applied.</p> <p>The increase was proposed by Michael Donnelly, seconded by Colin Love and Approved.</p>	<p>Approved.</p>

9.4	<p>Membership Review</p> <p>The GSM presented the paper. She advised that 3 shareholding members have not given apologies or attended 5 consecutive AGMs and should be deleted from the register, as per rule 11.2.3.</p> <p>In response to a member query, the GSM advised there was no specific information available on why the shareholding members had not engaged with the organisation for 5 years.</p> <p>The Membership Review was proposed by Nigel Fortnum, seconded by Mark Cunningham and Approved.</p>	Approved
10.	GROUP UPDATES	
10.1	<p>Partnership Investment Delivery update</p> <p>The DPS provided a verbal update in support of the written report. She advised that the kitchen program is delayed due to a Covid outbreak in the contractor team, but work should pick up again from Monday 24th January. Further to the discussion at the last Board meeting on the progress on the LD2 alarms and electricity assessments, there are 14 remaining. On the fire alarm upgrades, the legal position has been clarified and tenants have been advised that there will be a forced entry to allow for installation if entry is not granted.</p> <p>With regards to the riverbank, it seems from the review and photographic survey that the North Ayrshire council remedial works that have been done recently have already started to fail. The team are seeking from the engineers a clearly defined range of costed options which can be taken to North Ayrshire Council and SEPA for discussion.</p> <p>A member asked if replacing gas boilers is still the correct choice given national Zero Carbon targets. The DPS advised that this is very much on the radar as we review the Asset Management & Energy Strategy over the next nine months, The supply industry is still not quite ready to make the change. Currently it is prudent to go ahead with the relatively small number of replacements gas boilers. The draft Strategy will be considered by the Asset Management & Development Committee and will be brought to the Ancho Board for approval this Autumn.</p> <p>A member questioned the table in appendix 1 and the £283k variance. The DPS advised that some of that would be the increase in cost of kitchens. Some of the costs received from suppliers were double what had been budgeted. Those works have not been carried out. There has been well above inflation increases in costs. The Chair queried how future years of inflation will impact on the organisation. The DPS advised that the money currently being spent is in the areas which are going to make the biggest difference to the tenants.</p> <p>The DFPS highlighted that any repair on the riverbank is not a capital spend and will be an impact in the year in which the repair takes place. This might have a knock on effect on other projects being delivered. There had been a provision within the accounts for the riverbank but it was stripped out at the point of partnership because under accounting rules,</p>	Action DPS

	<p>this was considered to be a contingent liability rather than a liability arising from past events. The finance team are working closely with the development team to plan for that cost and the time period.</p> <p>The DPS advised that there is more detailed work to do with options of the door entry systems before a solution is reached. The report was noted.</p>	<p>Action DPS</p> <p>Noted</p>
10.2	<p>Pentland transfer – update</p> <p>The CEO confirmed to the Board that, despite the Pentland integration taking a lot of staff time, there is still a focus on delivering the Ancho promises.</p> <p>With regards to Pentland, all the legal and regulatory requirements are complete. Lender consent is still required and expected in the next 4-6 weeks. The TUPE consultation with staff has been completed. Staff are being invited to local CHA team meetings. A detailed integration plan is well underway. There is a single merged commercial subsidiary planned. Cairn Homes and Services will combine with Pentland Community Enterprises. The plan, subject to the Ancho Board approval, will be to move the management of Ancho garages into the management of that subsidiary during 2022/23</p> <p>The report was noted.</p>	<p>Action DFPS</p> <p>Noted</p>
11.	ITEMS FOR NOTING/PROGRESS MONITORING	
11.1	<p>IT Systems Infrastructure Project - Update/presentation</p> <p>The DBS gave a presentation to explain the current status of the IT systems and the plan for the IT Systems Infrastructure Project which will be delivered for full implementation in April 2024.</p> <p>Responding to a Member question, the DBS confirmed that there is a project steering group to ensure that there is the appropriate level of governance oversight and resource dedicated to this project. Terms of reference to be agreed at CHA Board next week.</p> <p>Recruiting externally for a project manager was raised as a concern due to the applicant not having the experience of the systems currently in use. The DBS advised that she is confident that the restructure within the BI team means that there will be a change management resource as well as appropriate project management.</p> <p>Mark Cunningham volunteered to join the IT Systems Project Group.</p> <p>The report was noted.</p>	<p>Action DBS</p> <p>Noted</p>
12.2	<p>Q3 Management Accounts</p> <p>The DFPS advised that there is not much change since the last set of accounts were presented. There is a positive variance against budget. Planned maintenance continues to be significantly behind in terms of spend – almost £500k for reasons already discussed tonight. This coupled with some of the favourable variances and removing that capital element is</p>	

	<p>resulting in a surplus of £615k for the first 9 months of the year. £340k ahead of what was anticipated. The projection to the end of the year indicates that this will reverse to a £90k deficit due to an exercise that will raise an appropriate management charge between Cairn and Ancho to better reflect the true cost of corporate/Group support.</p> <p>The Chair asked that the full detail of the management charge is included in the budget.</p> <p>He also queried the percentage capitalised being less in the forecast. The DFPS advised that this is due to contractors not being able to perform the more major works so the view is more pessimistic toward the end of the year.</p> <p>With regard to the riverbank –the Chair asked at what point it becomes a provision or a payment. The DFPS advised it will be forecast through the budget as soon as there is a cost.</p> <p>The report was noted.</p>	<p>Action: DFPS</p> <p>Noted</p>
12.3	<p>KPI's</p> <p>A member queried what is being included as 'near misses' under health and safety incidents. The DBS advised that an internal operations dashboard is held separately and that can be brought to the Board. The KPI pack sticks to the legislative guidance. She will bring the breakdown to the next meeting so that members can see the full picture of instances.</p> <p>The Chair asked about the trend in income collection and what the contingency plan is for the "cost of living crisis" and likely issues that will occur as energy prices etc increase. The DCS advised that there is close contact with the tenants who have previously fallen into arrears as well as keeping in touch with money advice services available in North Ayrshire. The Chair advised that there is the hardship fund which could be drawn on. The DFPS added that a below inflation rent increase should assist some tenants to meet the payments.</p> <p>A member highlighted that there are a lot of issues that have been raised in the meeting that are likely to affect the long term cash flow. He would like a report at the next Board which highlights the risks and where potential mitigations can come from as well as highlighting what the worst case scenario could be. This was agreed. The report was noted.</p>	<p>Action: DBS</p> <p>Action: DFPS</p> <p>Noted</p>
12.4	<p>Risk Register and any new risks</p> <p>The DBS advised that the risks highlighted in this meeting will be factored in. The risk register will go through the Audit and Performance meeting in Feb and will then come back as a formal document to the Ancho Board in March. The report was noted.</p>	<p>Noted</p>
12.5	<p>Board Meetings Schedule/Forward Planner – in Teams</p> <p>The GSM highlighted that the forward planner for Ancho Board is available in the Teams channel. She noted that the dates of the meetings from March could change if there is a move to Joint Governing Board meetings.</p>	
13.	<p>GOVERNANCE & REGULATION</p>	

13.1	Recent SHR publications/guidance for information The GSM highlighted that the Regulator has asked all social landlords to complete a tenant health and safety survey. This is being completed for the Group by the Health and Safety Manager and is available on the SHR website for members to view.	
13.2	Governance Update The GSM highlighted that the regulator will be informed of Mary Black's resignation as Chair and Bill Finlay's appointment as Chair of Ancho. These are Notifiable Events. The report was noted .	GSM Noted
14.	Decisions taken by Exec team under delegated authority (Policies available on request)	
14.1	The CEO advised members that as part of the team changes within Business Services, the post of Communications and Engagement Manager has been made redundant.	Noted.
15.	DATE OF NEXT MEETING	
	10/03/2022	