

**MINUTES OF A MEETING OF THE BOARD OF MANAGEMENT OF ANCHO LIMITED
HELD AT SOVEREIGN HOUSE, ACADEMY ROAD, IRVINE
ON THURSDAY 1 AUGUST 2019 AT 7:00PM**

Present: J Browne (Vice-Chair), J Rodgers, M Allan, J Valentine, L Shepherd and M Black

In Attendance: K Henderson, Head of Service (ANCHO), P Andrews, Asset Manager, J MacGilp, CEO and Company Secretary, D Adam, Director of Finance and Business Services, D Holligan, Head of Finance, Cairn, C Owens, Governance Services Manager, Cairn (Minutes), F Lees, North Star Consulting, N Ochuba, Scott Moncrieff

The Vice-Chair welcomed everyone to the meeting and introduced F Lees from North Star for Item 8.1 and N Ochuba from Scott Moncrieff for Item 7.1.

	Item	Action
	Board Members only (if required) None	
2.	Apologies S Campbell-Perry, S Hughes, Z Brawn, E Mounce and R Burley Board approved a three months leave of absence for S Hughes	
3.	Declarations of interest J Browne and J Rodgers declared an interest in Item 7.3 at section 4.4. Board agreed to take Items 7.1 and 8.1 on the Agenda first.	
4.1	Minutes of Previous Meeting <u>Management Board – 6 June 2019</u> The Minute was proposed by J Valentine, seconded by M Black and APPROVED as true record. Signed by J Browne	
4.2	Matters Arising <u>Item 7.7 – Scheme of Delegated Authorities</u> The Vice-Chair reported that the Scheme of Delegated Authorities which members had noted further issues with at the last meeting and which they had wished to be resolved before ANCHO approved the document had subsequently been approved by the Cairn Board as Group Parent at their meeting on 13 June 2019. The CEO and Company Secretary advised members that all previous issues raised at the April meeting had been	

	<p>incorporated, that the Cairn Board as Parent had considered the matter from a governance and business perspective and were satisfied that any other issues would be picked up within the Governance Review, particularly in relation to the Head of Service (ANCHO) role, and on that basis had approved the Scheme of Delegated Authorities for the Group.</p> <p>Further discussions took place following which members agreed to await the outcome of the Governance Review Report.</p>	
5.	<p>Action Tracker</p> <p>The report was noted.</p>	
6.	OPERATIONAL UPDATE	
6.1	<p>Office refurbishment project update</p> <p>The Head of Service (ANCHO) provided a verbal update advising that the Lease was anticipated to be resolved shortly. Once signed Space Solutions would be instructed to commence work, with a 12 weeks lead in time expected.</p>	
6.2	<p>Small Steps Project update</p> <p>The Head of Service (ANCHO) provided a verbal update. The Big Lottery had advised that the application for funding had been rejected due to the number of customers benefitting from the project not deemed large enough in relation to the funding amount. It was reported that the Community Engagement & Support Worker had tendered her resignation and members were advised on options for the project going forward. In response to L Shepherd's enquiry members were advised that clients for the CBT Project would be referred to other services. Following consideration of the options Board agreed to pull the funding application currently with Scottish Government and consider alternative projects. Board thanked the Community Engagement & Support Worker for her work in the community.</p>	
6.3	<p>Other current operational matters</p> <p>The Head of Service (ANCHO) provided a verbal update on staff restructuring. Following the resignation of the Finance Assistant there had been an opportunity to centralise financial services with Cairn and utilise half of the salary and part of the funding for the previously agreed Housing Officer for a full-time Customer Services Adviser post. The previously agreed Housing Officer and Finance & Administration Assistant posts have been deleted from the staff structure. Line Manager changes were also being implemented and Better Off posts are due to finish in February 2020 when the project ends.</p>	
7.	ITEMS FOR DECISION/APPROVAL	

7.1	<p>Audited Annual Report and Financial Statements, and Management letter</p> <p>The Director of Finance and Business Services presented the report apologising for lateness of the papers due to a requirement to amend the accounts following a late Pension adjustment which was received from the Pension provider on 24th July 2019 and which had now been incorporated within the financial statements. The operating surplus, pensions revaluation, gains in assets and loan interest were all highlighted.</p> <p>N Ochuba, Scott Moncrief, presented the Audit Management Report and overview of the audit process and audit conclusions. It was confirmed that the accounts showed a true and fair view of performance during the year and the financial position at year end with no inconsistencies and nothing of a material nature to note. There were no issues in relation to going concerns for 12 months and no subsequent events after year end identified. It was confirmed that there were no issues regarding fraud, irregularity or significant financial events.</p> <p>In response to members' question the Director of Finance and Business Services advised that since the audit all financial functions for ANCHO, including payroll, were now carried out by Cairn's Finance Team at Head Office, and financial regulations and levels of authorisation had been reviewed and are applied across the group. Board expressed disappointment that some items listed in the previous audit had not been dealt with and were still outstanding. The Disaster Recovery Plan and adjustments which were not material would be implemented and monitored as part of an Action Plan.</p> <p>Following consideration Board approved:-</p> <p>The Board approved the Financial Statements, Audit Management Report and Letter of Representation and agreed their signing by the Chair, Vice-Chair and Company Secretary.</p> <p>The Vice-Chair thanked N Ochuba who left the meeting.</p>	
7.2	<p>Proposed appointment of ANCHO Office Bearers, to be recommended to CHA Board for approval</p> <p>The Governance Services Manager advised that the Chair and Vice-Chair would be elected at the meeting following the AGM on 29 August 2019. Members were asked for any other office bearer nominations, there were none. On that basis Board recommended to CHA Board that S Campbell-Perry and J Browne be proposed as Chair and Vice-Chair respectively.</p>	
7.3	<p>AGM & Annual Report preparation</p>	

	<p>The Governance Services Manager presented the Report. Following consideration Board:-</p> <p>Noted the arrangements for the Annual General Meeting on 29 August 2019 at 7pm in Sovereign House and approved the Agenda shown in Appendix 1.</p> <p>Noted that L Shepherd, R Burley, E Mounce and M Black require to stand down, but can stand for re-election without nomination.</p> <p>Noted that M Allen is required to stand down as a co-optee but can be co-opted again at the first Management Committee meeting.</p> <p>Resolved that S Campbell-Perry, J Browne and J Rodgers be permitted to stand again despite their continuous service as a Board member for over 9 years, based on the Board being satisfied with their continued effectiveness.</p> <p>Agreed that no cancellations and removals from the share register are required under Rule 11.1.3</p> <p>Noted that 53 shareholders plus any new approved shares at this meeting will therefore be invited to the AGM.</p> <p>Agreed that the AGM be asked to appoint Scott Moncrieff as the external auditor for 2019/20.</p> <p>Agreed that at the first meeting of the new Management Board to be held on Thursday 29 August 2019 after the AGM to elect the Chair, other office bearers and co-options.</p>	
7.4	<p>Annual Declarations of Interest Register</p> <p>The 2018-2019 Register of Interests Report was presented by the Governance Services Manager and approved by the Board.</p>	
8.	<p>GROUP UPDATES</p>	
8.1	<p>Group Policy: Board Member Remuneration Policy – interim report/presentation. (Freya Lees, North Star)</p> <p>Freya Lees gave a presentation following the earlier circulation of an interim report.</p> <p>Discussions took place and members expressed their opinions on payment of Board members, expenses reimbursement, acceptance of voluntary status when taking on the role, the increasing responsibilities and time commitment required by the Board members and office bearers in fulfilling their regulatory responsibilities within the sector.</p> <p>The Head of Service (ANCHO) referred to practical ways, such as induction, training, support and times of meetings to accommodate attendance which may have more of a practical impact than payment.</p> <p>It was agreed that all comments would be raised and discussed at the next Working Group Meeting before proposals are presented to the October 2019 Board Meeting, and then for formal approval of CHA Board as parent. The Vice-Chair advised</p>	

	<p>members to email any further comments direct to Freya Lees by 9 August 2019.</p> <p>Board noted the report.</p>	All
8.2	<p>T&Cs Harmonisation and Job Evaluation projects</p> <p>The Director of Finance and Business Services provided a verbal update on the projects which had launched on 29 April 2019, advising that both were now fully operational groups inclusive of Board member participation. The plan is to feedback to the Executive Team in September and progress with the harmonisation of T&C's later in year.</p>	
8.3	<p>Group Policy: Board Succession & Development Plan – consultation on proposed Policy</p> <p>The Chief Executive presented the group policy for information and comment advising that the final report would be presented to the Cairn Board as parent for approval in October. The Succession Policy and Plan was aimed at avoiding risks, such as exist at ANCHO presently, where both office bearers are due to step down from the Board at the same time</p> <p>The Vice-Chair added that a succession plan, training and development were a requirement in order to improve governance and deter a reliance on the same individuals within the Board. Members discussed continuity and change aspects of Board membership. The Vice-Chair commented that it would be a preference to await the outcome of the current governance review which would provide input from a third party on how to go forward. The Chief Executive advised that the Consultant, Ali Jarvis, had been consulted on the draft of the report. Members were updated on a correction to the CHS Succession Plan, D Venters retirement was 2022 as Vice-Chair of CHS, and Michael Allan, 2022, as prospective Chair of CHA.</p> <p>A member asked whether there was any opportunity for the Policy to be approved after the governance review, the Chief Executive advised that he would raise with the CHA Chair, and at the CHA Board and Ali Jarvis. Following a member query the chronology of the proposed break in service rule applied as starting a new nine year period and final approval of the Policy (by CHA Board as parent) was clarified. The Governance Services Manager advised that counting a term as new after a break in service would not support good succession planning.</p> <p>Due to queries raised Board were unable to endorse the policy at this stage, and members were requested to email any further questions or comments to the Governance Services Manager by 9 August 2019.</p> <p>Members were asked to forward any other comments to the Governance Services Manager.</p>	All

	Board noted that the Policy would be presented to CHA Board as Group Parent at its meeting in October for final approval.	
8.4	<p>Group Policy: Whistleblowing Policy - consultation on proposed Policy</p> <p>The Chief Executive presented the proposed Policy advising that the only changes were to reflect the group structure.</p> <p>M Black requested timescales to be included within the Policy, it was agreed to propose to CHA Board that a four week period of a case review be added as a provisional timeframe target for resolution, recognising that some cases may be complex and lengthy to resolve. Members also requested that the review period be amended to reflect the 3 year cycle.</p> <p>Board endorsed the Group Whistleblowing Policy subject to the agreed suggested change.</p>	
8.5	<p>Group Policy: Entitlements, Payments & Benefits - consultation on proposed Policy</p> <p>The Chief Executive presented the report advising changes were to reflect establishment of the group and that the Policy applied to group board members and staff.</p> <p>Board endorsed the Group Entitlement, Payments & Benefits Policy.</p> <p><i>Board agreed to continue the meeting past 9:00pm.</i></p>	
8.6	<p>Partnership Investment Delivery update</p> <p>The Asset Manager presented the report.</p> <p>Board members thanked P Andrews for the clear format of the report which was noted.</p>	
8.7	<p>Group Strategy: Asset Management Strategy</p> <p>The Chief Executive presented an update to the previous Cairn HA Strategy which now incorporated ANCHO, as a new Group Strategy.</p> <p>Members requested that:-</p> <ul style="list-style-type: none"> - All references to Board be amended throughout the document to specify which Board – CHA, ANCHO or CHS. - Further explanation of the reasons for higher refusal rates, due to the North Ayrshire Housing Register system, be added by the Head of Service (ANCHO). - Specific street names of properties leased to Women’s Aid be deleted throughout the document. <p>Board endorsed the Group Asset Management Strategy subject to the suggested amendments.</p>	<p>KH</p> <p>WC</p>

8.8	<p>Group Transition & Integration Plan update</p> <p>The Director of Finance and Business Services presented the report advising that the recently appointed new Head of Business Services, Morag Boyter, would be in post in early September.</p> <p>Members suggested that the update could be circulated earlier and the Director of Finance and Business Services clarified that green indicators identified actions as on track, not complete, and these are monitored through the online management system, Clearview, therefore red or amber indicators would mean that the action was not on target.</p> <p>The Report was noted.</p>	
8.9	<p>Group Auditor – External Audit Contract Extension</p> <p>The Head of Finance presented the report advising that an extension to the existing contract for External Audit Services with Scott Moncrieff had been approved by the Audit & Performance Committee at their meeting on 9th July 2019, for a further 2 years to cover financial year ends 2019/20 and 2020/21.</p> <p>Board noted the extension.</p>	
8.10	<p>VAT Group Confirmation</p> <p>The Head of Finance provided a verbal update on an initial notification to Board that a VAT Group between CHA, ANCHO and CHS had been created to deal with intercompany recharges. Minor implications for some tenants, relating to small charges on rechargeable repairs, were expected and these would be clarified once the report had been received. There would be no material impact to the Accounts.</p> <p>Board noted the update.</p>	DH
9.	ITEMS FOR DISCUSSION/EARLY VIEWS	
	None	-
10.	ITEMS FOR NOTING/PROGRESS MONITORING	
10.1	<p>Q1 Accounts</p> <p>The Report was noted.</p>	Paper
10.2	<p>Q1 KPI Performance</p> <p>The Head of Service (ANCHO) presented the Q1 KPI's with explanations for staff absence results, that the current tenant arrears as % of debt needed to be recalculated as it should be 4.21% explaining that gross arrears did not reflect receipt of expected benefits (housing benefit and universal credit), which</p>	

	would equate to 2.6%. It was agreed that in future reports that commentary would detail arrears both gross and net of expected Benefit payments. The Report was noted .	K Henderson
10.3	Annual Report on Statutory Registers The Report was noted .	
10.4	Board Meetings Schedule/Forward Planner	
	The Governance Manager indicated that the date of the Cairn Board in September is likely to change to October. The Schedule was noted .	
11.	GOVERNANCE & REGULATION	
11.1	Recent SHR publications/guidance for information Members were advised that the SFHA Self-Assurance Toolkit had been published and the Working Group would meet on 6 August 2019 to prepare work for the Assurance Statement for the Group. All members were invited to attend.	
12.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
	-	-
13.	AOCB None	

The Meeting closed at 9:20pm

Signed:

Date: