

**MINUTES OF A MEETING OF THE BOARD OF MANAGEMENT OF ANCHO LIMITED
HELD AT SOVEREIGN HOUSE, ACADEMY ROAD, IRVINE
ON THURSDAY 31 JANUARY 2019 AT 6:30PM**

Present: S Campbell-Perry (Chairperson), J Browne, Z Brawn, L Shepherd, J Rodgers, S Hughes, M Allan

In Attendance: K Henderson, Head of Service (ANCHO), P Andrews, Asset Manager, D Adam, Director of Finance and Business Services, Cairn, C Owens, Governance Services Manager, Cairn

Minutes: C Owens, Governance Services Manager, Cairn

Items		Action
	The Chair welcomed all to the meeting	
A	<p>SFHA Presentation by Sally Thomas, Chief Executive Sally Thomas gave a presentation on the work of the SFHA. Board discussed membership benefits, costs of membership, and enquired about benefits of membership for ANCHO when they could access SFHA through their partnership with Cairn. Sally highlighted that as members ANCHO would have direct access to training events, forums, policy guidance, conversations/debate, community benefits and working groups and that individual membership would be a reflection of ANCHO's independence and also develop a better relationship with SFHA. In response to a question related to benefits of membership for tenants, Sally highlighted SFHA's recent fire prevention work and procurement training to secure the best VFM and services for tenants. Following further discussion and consideration of the information contained in the Report, Board:-</p> <p>Approved ANCHO becoming a member of the Scottish Federation of Housing Associations (SFHA).</p>	C Owens
1.	<p>Board Members only (if required) Not required.</p>	
2.	<p>Apologies E Mounce, R Burley, J Valentine and C Platts</p>	
3.	<p>Declarations of interest None</p>	
4.	<p>Minutes of Previous Meeting</p>	
4.1	<p><u>Management Board – 25 October 2018</u> The Minute was proposed by J Browne, seconded by Z Brawn and accepted as true record.</p> <p>Signed by S Campbell-Perry</p>	
5.	Action Tracker	

	<p>The Chair referred to the Action Tracker (formerly the Matters Arising Report), circulated in the agenda papers. The Head of Service (ANCHO) provided an update on:-</p> <p>Item 23 – Civic Pride Awards 15 March 2019. A table of 10 has been booked. Attendees confirmed to date were K Henderson, S Campbell-Perry, Z Brawn, S Hughes, L Shepherd. Interest from Cairn staff who wish to attend to be confirmed.</p> <p>Items 11 & 26 – members were reminded to submit any overdue Declarations of Interest and Self-Assessment and Development Plan forms as a priority.</p>	<p>C Owens</p> <p>C Owens</p>
6.	GROUP UPDATES	
6.1	<p>Partnership Investment Delivery Update</p> <p>The Asset Manager presented the report and highlighted the access issues for completing windows and doors, and that access to grant funding for private owners could affect the number of properties that would receive roofing and external wall insulation (EWI) as detailed in the notes. If unable to access grant funding for private owners all ANCHO houses will have roofs renewed and EWI installed but only 8 of 41 flats would receive roofs/EWI. The Asset Manager advised that EESSH funding could potentially resolve the issue. The Asset Manager confirmed that the budget for other elements would be spent in line with target with no variances of any concern.</p> <p>In response to a question from L Shepherd, the Asset Manager confirmed that decoration allowances were still available to assist tenants which improves likelihood of gaining access to properties for rewiring.</p> <p>The Asset Manager advised that spend and completions were all on track. The Head of Service (ANCHO)/Asset Manager would circulate a draft update report to members prior to next meeting, compiled with input from Head of Customer Services (Property Services) and Finance Manager, Cairn.</p>	<p>K Henderson / P Andrews</p>
6.2	<p>Group Transition & Integration Plan Update</p> <p>The Director of Finance and Business Services presented the report advising that the Plan is progressing. J Browne enquired on 4.6 Business Services, asking whether the ICT tender services included ICT for Board members. The Director of Finance and Business Services / Governance Services Manager advised that laptops would be provided to Board members to enable a switch to paperless Boardpacks through Virtual Boardroom over the next few months. Relevant training on the new devices and software systems would be incorporated into the Board development plan schedule.</p> <p>Board considered and noted the contents of the report.</p>	<p>C Owens</p>
6.3	<p>Group Board Succession & Development Plan</p> <p>Members agreed that training would be scheduled bi-monthly between Board meetings and suggested video recording any training sessions for those unable to attend. The Governance Services Manager</p>	<p>C Owens</p>

6.4	<p>advised that Remits and Terms of Reference for Working Groups/Committees would be circulated for information.</p> <p>The Development Plan was noted, an Induction Session was agreed for 27 February 2019. Invites will be issued to Board Members.</p> <p>Group Treasury Management Policy The Director of Finance and Business Services presented the new group Policy explaining that it encompasses the latest CIPFA treasury management guidance and SHR guidance. Members were advised that next year's private placement drawdown of £17m into the bank creates the requirement for regulation on placing deposits, hence the comprehensive Treasury Management Policy.</p> <p>The Director of Finance and Business Services advised that the Cairn group was looking to change its day-to-day banking arrangements and are considering proposals to move to Santander, its main lender who arranged its private placement finance, in order to access preferential deposit rates. A further paper would be presented to the next Board meeting.</p> <p>As highlighted by J Valentine, Board members agreed to remove the word EITHER on p16, App1 4.2.</p> <p>Following consideration, Board:-</p> <ul style="list-style-type: none"> - Agreed the Group Treasury Management Policy. The policy would be presented to the Group Board for approval at their meeting on 7th February 2019. 	<p>C Owens</p> <p>D Adam</p> <p>D Adam</p> <p>D Adam</p>
6.5	<p>Group Schedule of Delegated Authorities The Head of Service (ANCHO) presented the draft Group Schedule of Delegated Authorities for comment and endorsement of the proposals, advising that the document set out responsibilities and authority to approve within the Group.</p> <p>Following discussions Board concluded that the document required more work and:-</p> <ul style="list-style-type: none"> - Agreed they were not currently in a position to endorse the proposals and - Did not approve the proposed document for presentation to the group Board - Agreed to send comments by 6 February to Head of Service (ANCHO) who would circulate tracked changes, collate further feedback and revert back to Group Chief Executive. 	<p>ALL/ K Henderson</p>
7.	<p>ITEMS FOR DECISION/APPROVAL</p>	
7.1	<p>Rent Consultation Feedback and Decision The Head of Service (ANCHO) presented feedback on the rent consultation which proposed an increase 2.4% based on the Consumer Price Index in line with the rent guarantee offered to tenants through the Customer Promises. 10 responses (1%) were received which was lower than the 75 responses (9.1%) last year, it was highlighted that 3 options had been consulted on in the previous year, and members were reminded of the Cairn partnership rent guarantee and consultation through the ballot process.</p>	

<p>7.2</p> <p>7.3</p>	<p>Following consideration of the feedback, Board APPROVED the application of a 2.4% rent increase to base rents for 2019/20 with an effective date of 1 April 2019.</p> <p>S Hughes voted against the rent increase citing that she did not feel the response rate was sufficient to represent tenants and that the consultation form could have been improved. She asked whether tenants on UC would have to pay the increase out of pocket. The Head of Service (ANCHO) advised that tenants on UC are able to advise DWP of rent increases via the DWP portal.</p> <p>The Head of Service (ANCHO) would be preparing rent increase letters with new amount and further advice to tenants.</p> <p>North Ayrshire Housing Register Allocations Policy</p> <p>The Head of Service (ANCHO) provided an overview of changes to allocations and tenancy rules introduced by the Housing (Scotland) Act 2014 as detailed in the report, highlighting changes related to reasonable preference groups and owner occupiers moving to social rented accommodation. The proposal to change the age criteria for sharing bedrooms/overcrowding points was also highlighted. The Councils Cabinet and three RSL Boards are required to approve the policy.</p> <p>Following consideration Board:-</p> <ul style="list-style-type: none"> - NOTED the changes to allocation and tenancy rules introduced by the Housing (Scotland) Act 2014. - APPROVED the revised North Ayrshire Common Housing Allocation Policy at Appendix 1 - APPROVED the proposal that in cases where owners occupy the property they own, the Allocation Policy should not take property ownership into consideration when allocating properties and determining priority - NOTED the removal of the Council's Sheltered and Amenity policy to ensure legal compliance - REQUESTED that officers review the allocation policy within three years of its implementation on 1 May 2019 <p>Draft Business Plan</p> <p>The Head of Service (ANCHO) presented the draft Business Plan advising that the final Plan would be presented to the 4 April 2019 meeting for approval. ANCHO will be working together with Cairn to align business planning processes across the group.</p> <p>Members discussed the new post, strategic plans, tenant arrears and additional workloads for Housing Officers as a result of UC implementation. The Head of Service (ANCHO) advised that whilst the review of the Estate Caretaking service is ongoing, indications are that there was not currently sufficient need to fill the Estate Caretaker post which had been vacant since September, and confirmed there was sufficient staffing.</p> <p>Following discussions and consideration, Board:-</p>	<p>K Henderson</p>
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	<ul style="list-style-type: none"> - Did not approve the content/text of the updated Business Plan for 2015-2020 to reflect the Year 5 position for 2019/20, members agreed to extended the deadline for comments by 6 February - APPROVED the deletion of the vacant Estate Caretaker post in the staff structure and create a new Housing Officer post. - NOTED that the final version will be presented to the ANCHO Board for approval at the meeting on 4 April 2018. The final plan will require the approval of the Cairn Board as parent under proposed revised Rules and IGA at their meeting on 11 April 2019. 	ALL K Henderson
8.	OPERATIONAL SERVICE UPDATE	
8.1	No notable issues since last meeting	
9.	ITEMS FOR DISCUSSION/EARLY VIEWS	
9.1	<p>Internal Audit Plan 2019/20 – discussion The Director of Finance and Business Services advised that ANCHO’s key financial systems were currently in process of integration and requested to delay the Key Financial Systems Audit.</p> <p>Board members:-</p> <ul style="list-style-type: none"> - Agreed to postpone until August 2019. - Agreed suggestions for areas of internal audit for ANCHO in 2019/20 and would make suggestions to the Group Audit & Performance Committee on 19 February of; Responsive Repairs (priority), Income maximisation and arrears management, Void management, Customer engagement and satisfaction <p>The Director of Finance and Business Services advised S Hughes to contact the Business Services Manager at Cairn for further information on tenant satisfaction and the Customer Panel.</p>	C Owens
9.2	<p>Proposed Induction and Governance Session This was covered under Item 6.3</p>	
10.	ITEMS FOR NOTING/PROGRESS MONITORING	
10.1	<p>Audit Update (ANCHO key financial systems) Board agreed to postpone the ANCHO Key Financial System Internal Audit as detailed in Item 9.1.</p>	
10.2	<p>Draft ANCHO Budget The Director of Finance and Business Services presented an outline of key assumptions within the draft budget and outlined the Income and Expenditure, Cashflow and Balance Sheet. (Presentation attached).</p> <p>The Budget will be presented to the next meeting. Board:-</p> <ul style="list-style-type: none"> - Noted the draft Budget for the Year Ended 31 March 2020. 	D Adam
10.3	<p>Q3 Management Accounts The Director of Finance and Business Services advised members that the accounts were slightly ahead of budget which was anticipated to continue to the year end. Some additional spend for Planned</p>	

	<p>Maintenance and variances, in particular interest, were highlighted within the Report.</p> <p>In response to a question from M Allan, the Director of Finance and Business Services confirmed the three cumulative fixed asset depreciations related to housing properties, Community Link offices and other fixed assets such as IT and tenant improvements and was included in the current year's audit. The depreciation and fixed assets would be cleared out by next year.</p> <p>Board noted the management Accounts to 31 December 2018.</p>	D Adam
10.4	<p>KPI Performance</p> <p>The Head of Service (ANCHO) presented the new format KPI pack highlighting on Page 205 a performance summary table which had been added, and that commentary had been added where relevant.</p> <p>The 4.4% arrears level was due to the Christmas closure, had been anticipated and was expected to adjust accordingly, and no major concerns were reported.</p> <p>Members were reminded that due to staff numbers, staff turnover for one member of staff was reported as 5%, and that staff absence reflected 4 long term absences which were being managed, with no short term issues and no major concerns reported.</p> <p>J Browne commented that it was very positive to see improvements within new tenancies sustained for more than 1 year, attributable to efforts of the Housing Officers.</p> <p>Board noted the KPI Report.</p>	
10.5	<p>Health & Safety</p> <p>The Asset Manager provided a verbal update advising that Scottish Government information on fire doors had still not been released. The agreed replacement on the walkway windows on maisonettes will be progressing shortly.</p> <p>Board noted the update Report.</p>	
10.6	<p>Our Power – affordable energy provider</p> <p><i>This item was removed following news that Our Power had gone into administration.</i></p> <p>The Head of Service (ANCHO) provided an additional update advising that the Office of Gas and Electricity Markets (Ofgem) had appointed Utilita as the supplier of last resort for Our Power customers. Utilita has expressed an interest in preserving the void switching service but will be initially focusing on ensuring Our Power customer accounts are moved across to Utilita. The Head of Service (ANCHO) will report back once further information/detail had been established.</p>	K Henderson
10.7	<p>Board noted the Report.</p> <p>Development Programme Update</p> <p>Board noted the Report.</p>	

11.	GOVERNANCE & REGULATION	
11.1	<p>Recent SHR publications for information</p> <p>Consents & Disposals https://www.scottishhousingregulator.gov.uk/news/regulator-alerts-social-landlords-upcoming-changes-consents</p> <p>Lessons from interventions https://www.scottishhousingregulator.gov.uk/publications/lessons-statutory-intervention-december-2018</p> <p>Members were advised to read the information and contact C Owens if they had any comments or questions.</p>	
12.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
12.1	- None	-
13	AOCB	
13.1	<p>Board Membership Board were advised that A Sproat had resigned and informed that a letter of thanks had been sent.</p> <p>Board agreed to complete a skills gap analysis in preparation for a recruitment exercise,</p> <p>Board approved a 2 months LOA for Ruth Burley if required.</p>	<p>C Owens</p> <p>C Owens</p>
13.2	<p>Declarations of Interest The Form would be updated to read Gifts and Hospitality during 2017-18. All requested to complete if not already done so.</p>	<p>ALL/ C Owens</p>
13.3	<p>Office Lease The Head of Service (ANCHO) advised that the Heads of Terms for the office Lease had been received and would be finalised pending resolution of a couple of amendments.</p> <p>Board discussed procurement issues and were advised that two companies had provided plans and that architects would have to be engaged to put together a full tender at a cost of £15-20k. The Director of Finance and Business Services confirmed that the Board could agree on best value considering practicalities and cost savings. After further discussion and consideration the Board agreed in line with the Procurement Policy, on this occasion and on the basis of common sense principle, to appoint Space Solutions to carry out the work which was expected to start in April 2019.</p> <p>J Rodgers asked whether consideration had been given to purchasing the building. The Director of Finance and Business Services advised that it had been considered however issues with vacant units and maintenance costs had been raised. The Head of Service (ANCHO) advised that an opportunity to buy previously had been presented, pre-partnership but this had not been viable at that time.</p>	

The meeting closed at 8:55pm