

**MINUTES OF A MEETING OF THE BOARD OF MANAGEMENT  
OF ANCHO LIMITED HELD VIA TEAMS  
ON THURSDAY 3 SEPTEMBER 2020 AT 4:00PM**

Present: M Black (Chair), B Finlay, M Allan, K Arrol, Z Brawn, C Love, S Travers, M Donnelly and N Fortnum.

In Attendance: Jason MacGilp, Group CEO and Company Secretary  
Derek Adam, Director of Finance & Business Services (*Item 4 onwards*)  
Keith Henderson, Head of Service (ANCHO) (*Item 4 onwards*)  
Donna Holligan, Head of Finance (*Item 4 onwards*)  
Meg Deasley, Head of Customer Services (Property) (*Item 4 onwards*)  
Carolyn Owens, Governance Services Manager  
Mark Taylor, Health & Safety Manager (*Item 7.2 only*)

	<b>Item</b>	<b>Decision</b>
1.	Board Members only	
1.1	<b>Restructure Update (Confidential)</b>	
2.	<b>Apologies</b>  Apologies were received from Jackie Browne, Leanne Stirling and Ruth Burley (LOA).	Noted
3.	<b>Declarations of interest</b>  None.	
4.	<b>MINUTES OF PREVIOUS MEETING AND MATTERS ARISING</b>	
4.1	<b>ANCHO Board Minute – 11 June 2020</b>  Minutes of the Meeting held on 11 June 2020 were proposed by Bill Finlay, seconded by Michael Donnelly and approved.	Approved
4.2	<b>CHA Board Minute – 18 June 2020 (prev circulated)</b>  The Minute was noted.	Noted
5.	<b>ACTION TRACKER</b>	
5.1	<b>Action Tracker</b>  <u>Item 2</u> – the Head of Finance clarified that the information received referred to details of the grant provision for the Better off North Ayrshire project, the VAT consultants needed sight of all documentation in relation to the service provision to confirm VAT determination. Scott Moncrieff have now written to HMRC for a final decision on the VAT treatment for the grant.	

	<p><u>Item 3</u> – members were reminded to complete the online Finance Training.</p> <p><u>Item 8</u> – the first of the video inductions sessions would be available for members to view by the end of September, including a virtual stock tour.</p>	<p>Noted</p> <p>KH</p>
6.	<b>OPERATIONAL UPDATE</b>	
6.1	<p><b>Operational Update</b></p> <p>In response to members' questions the Head of Service (Ancho) advised that current office costs were £30k p/a for rents and service charges, in the wake of Covid-10 office requirements were being analysed across the Group, the Lease had been extended for a shorter time and there may be potential to move to a smaller office.</p> <p>It was confirmed that all staff were still working from home and would return to the office in Phase 4, anticipated January 2021. Services are being delivered from home due to previous investment in IT equipment, DSE assessments and equipment had been provided to staff and there were no salary uplifts for staff working from home. The Director of Finance and Business Services advised that HMRC allow £6 tax relief per week for working from home and longer term solutions would be looked at.</p> <p>In terms of mental wellbeing of staff working from home, each service manager meets with their teams weekly and there is a full staff team meeting weekly to discuss any wellbeing issues, there have been none to date, and staff are reminded of the support available to them through EVH, rowan counselling support, direct contact with line managers and HR updates. In regard to telecoms, staff are able to use office phones through laptops so no additional costs are incurred.</p> <p>In relation to item 4.6 of the Tenants satisfactions survey the Chair asked how it was intended to measure tenant satisfaction. The Head of Service (Ancho) advised that the survey was carried out in January, normally there would be a presentation on outcomes, actions plans and focus group activities, however, Covid-19 had restricted this activity. The Customer Engagement Strategy is currently in consultation with staff and customers and would address customer engagement. In the meantime, new phone systems in the call centre, MATS for service specific surveys and extending digital services and the tenant portal would assist with the tenant satisfaction feedback process. 56% of tenants surveyed confirmed they were aware of the process to become a Board member, further information would be provided in the next Newsletter. Corshill in Kilwinning was an area with limited stock of approx. 30 properties, resulting in higher percentage figures rather than any substantial dissatisfaction issues.</p> <p>The Report was noted.</p>	<p>Noted</p>
7.	<b>ITEMS FOR DECISION/APPROVAL</b>	
7.1	<b>Audited Accounts, Letter of Representation and Audit Management Report</b>	

The Director of Finance and Business Services presented the accounts highlighting the late change in the Strathclyde Pension Fund valuation of £30k which improved the year end position and resulted in a material adjustment to the accounts. The Statement of Comprehensive Income showed a restatement of last year's figures, which was due to Scott Moncrieff moving to a larger group of auditors resulting in a change to the calculation of materiality changes within their group, therefore the materiality level for Ancho dropped resulting in the factoring income of £31k, which should have been reflected in last year's accounts, being restated. There was little movement in turnover due to increase in rents being offset by reduction in Better off North Ayrshire funding income.

The operating expenditure surplus was £184k higher than last year due to calculations in pensions costs, including allocation adjustments and past service cost reductions. The Pension fund had increased in value, showing a reduction in liability, and the valuation varies annually which is reflected through the Income and expenditure and balance sheet but which is discounted for covenant calculations. Depreciation reflected a loss on sale and component values replaced. In general terms the operating expenditure is similar year on year, therefore the profit and loss accounts except pensions and depreciation is similar to previous year. In response to a member's question on depreciation, the Head of Finance explained that component lifecycles had been aligned across the group to enable a consistent approach for the group accounts.

The Statement of Financial Position as at 31 March 2020 main items were highlighted as increased investment in properties increasing the fixed assets, and an increase in creditors due in one year which reflected primarily investment works invoices received in April for work completed in March 2020 and reflected in this year's accounts.

The cashflows reflected £2.1m rents, less overheads, investment in properties, and loans repaid to Nationwide and borrowed from CHA, resulting in an overall cash reduction of £182k.

Nneamaka Ochuba, Scott Moncrieff, presented the Audit Management Report thanking the finance team for their assistance in conducting the audit remotely due to Covid-19.

Nneamaka gave an overview of the Audit Management Report and conclusions referring to the findings and summary which showed a true and fair view of the Associations position at 31 March 2020. It was confirmed that the Association was a going concern, audit had considered the impact of Covid-19 on future activity, and had concluded there was no significant effect on the going concern. It was confirmed that there were no issues regarding fraud, irregularity or significant financial events and that all those involved in audit were independent of the Association.

Nneamaka highlighted risks reporting no issues with recovering rental arrears debt, that the Strathclyde Pension Scheme and impacts of Covid-19 had been specifically reviewed through the

	<p>accounts and referred to the audit adjustments summary detailed within the report reflecting seven adjustments totalling £279k in the SOCI, including £380k for pensions adjustment and the remainder for reallocations, late invoices, factoring income restatement and immaterial adjustments of £30k.</p> <p>Eight actions points from last year’s audit had been completed, one action relating to evidencing authorisation of payroll reports was in the process of having controls implemented.</p> <p>Nneamaka asked for questions on the Audit Management Report, there were none.</p> <p>The Letter of Representation to confirm the Board were content with the financial statements was presented, including Note 5 in relation to consideration of impacts of Covid-19.</p> <p>In response to a member’s question Nneamaka explained the Macleod judgement and reworked financial assumptions in this year’s accounts.</p> <p>In response to a member’s question on the Macleod Judgement Nneamaka explained the reworked assumptions and correcting journal in the accounts.</p> <p><i>Nneamaka Ochuba left the meeting.</i></p> <p>The Board approved the Financial Statements and Audit Management Report and approved signature of the Letter of Representation.</p>	Approved
7.2	<p><b>Health &amp; Safety Revised Strategy and Action Plan</b></p> <p>The Health &amp; Safety Manager presented the report highlighting the ambitious action plan, advising of additional resource requirements and potential further Covid-19 impacts affecting delivery of the Strategy.</p> <p>In response to a member’s question on the previous action plan and review of high risk actions, the Group CEO advised that previously agreed priorities were significantly affected by Covid-19 and were in the new action plan, fire safety is a high priority, the team will review resource requirements and route map on safety for tenants and staff in relation to Covid-19, fire risk, evacuation procedures, etc. There will be a quarterly report to both Boards going forward.</p> <p>In response to a member’s question the Health &amp; Safety Manager advised that one of the elements of the action plan is to advertise it fully, including a session in the forthcoming staff virtual conference in September with Dr Tim Marsh speaking, along with the outcomes of a Health &amp; Safety climate survey which had been conducted and an interactive discussion on that to inform how to improve the culture. H&amp;S would be addressed in the corporate</p>	

	<p>mission, H&amp;S branding would be introduced next year, and operations principles developed to embed culture in teams, and in year 3 working to develop H&amp;S performance.</p> <p>The Group CEO confirmed his personal responsibility to help ensure a positive H&amp;S culture across the Association, ensuring visibility at SMT meetings and Boards, updates on strategy and targets and communications through the organisation.</p> <p>The Board <b>endorsed</b> the revised Group Health &amp; Safety Strategy and Action Plan for 2020/23 and the proposed change to the Group's mission statement to include the word 'safe' after the word 'affordable'.</p>	Endorsed
7.3	<b>Cairn/Ancho Constitutional Review (Confidential)</b>	
7.4	<p><b>Board Succession and Development Plan,</b></p> <p>The Governance Services Manager presented the report including proposed appointment of Office Bearers, Committee and Working Group members and Development plans</p> <p>Board <b>approved</b> the recommendations in the Report for presentation to the CHA Board (as Group parent) for final approval on 10 September 2020.</p>	Approved
7.5	<p><b>Review of Code of Conduct: Governing Body Members</b></p> <p>The Group CEO presented the Report and recommendations on a review which had been conducted by Simon Guest (CHA Board member) and an external adviser to propose some changes on practical application of the Code of Conduct for Governing Body, following a recent case at CHA.</p> <p>The Board <b>approved</b> the recommendations which would be presented to CHA Board (as Group parent) for final approval on 10 September 2020.</p>	Approved
7.6	<p><b>Repairs Contract</b></p> <p>The Head of Customer Services (Property), presented the report and overview of the planned procurement and tender exercise.</p> <p>In response to a member's question it was confirmed that the current contractors work through sub-contractors which are locally based providing employment for local people and companies. There would be an opportunity to review tender documents in 2021 to encourage local employability.</p> <p>Legal support would also be sought when extending the contract within the current budget.</p> <p>The Board <b>approved</b> the recommendation to proceed with a negotiated contract extension for 2021/22; and <b>approved</b> the proposed approach to putting in place a new repairs contract.</p>	Approved

7.7	<p><b>Updated Business Plan 2020-2023</b></p> <p>The Director of Finance and Business Services provided details on changes to the Business Plan in relation to Covid-19 as detailed in the Report.</p> <p>The Board <b>approved</b> the changes made to the three year Business Plan as a result of the Covid-19 pandemic and recommended that it be forwarded to the CHA Board for approval.</p>	Approved
7.8	<p><b>Risk Register Review</b></p> <p>The Director of Finance and Business Services presented the six monthly review of the Risk Register as detailed in the Report, asking for any comments or new risks and advising that it would be further discussed at the Strategy Day in October 2020.</p> <p>The Board <b>noted</b> the updated risk register and the next steps for the Annual update.</p>	Noted
8.	<b>GROUP UPDATES</b>	
8.1	<p><b>Partnership Investment Delivery update</b></p> <p>The Head of Service (Ancho) presented the Report updating members on delays in progress due to Covid-19 and an overview of impacts including on kitchen replacements which were likely to be carried over to the next financial year.</p> <p>In response to a member's questions it was explained that Title Deeds were being looked at to resolve works in mixed tenant blocks, however the Solicitors involved and Registers Scotland had furloughed staff leading to delays however work was still underway and an options report would be presented to a future meeting</p> <p>The Report was <b>noted</b>.</p>	Action KH  Noted
8.2	<p><b>Governance Improvement Plan Update</b></p> <p>The Governance Services Manager presented the Report and update on the Governance Improvement Actions Plan tracker. A survey on Board collective self-assessments would follow.</p> <p>The Report was <b>noted</b>.</p>	Noted
9.	<b>ITEMS FOR DISCUSSION/EARLY VIEWS</b>	
9.1	None	
10.	<b>ITEMS FOR NOTING/PROGRESS MONITORING</b>	
10.1	<p><b>Q1 Management Accounts</b></p> <p>In response to a member's question on the format of the accounts, the Director or Finance and Business Services advised that the format has been kept consistent for consolidation and to tie in with the Budgets, however some areas could be expanded going forward.</p>	Noted

	The Q1 Management Accounts were <b>noted</b> .	
10.2	<p><b>Q1 Performance</b></p> <p>A member thanked the team for including the additional comments on customer focus services and a further meeting would be arranged to consider further improvements. The Chair would circulate information to K Arrol on discussions held with the Head of Business Services.</p> <p>The Report was <b>noted</b>.</p>	Action MB  Noted
10.3	<p><b>Q1 H&amp;S Update</b></p> <p>The H&amp;S Update was covered under Item 7.2.</p>	Noted
10.4	<p><b>Report on the Customer Involvement Strategy</b></p> <p>The Group CEO presented the report highlight work completed with TPAS to increase customer engagement and inclusive approaches.</p> <p>Board <b>noted</b> the consultation draft of the strategy and invited to feedback comments by the end of September.</p>	Noted
10.5	<p><b>Report on Statutory Registers</b></p> <p>The Report was <b>noted</b>.</p>	Noted
10.6	<p><b>Board Meetings Schedule/Forward Planner</b></p> <p>Consultation on the Group Strategy Day in October with the Chairs will follow. The Schedule was <b>noted</b></p>	Noted
11.	<b>GOVERNANCE &amp; REGULATION</b>	
11.1	<p><b>Recent SHR publications/guidance for information</b></p> <p>The Governance Services Manager advised members to regularly monitor SHR and SFHA websites for updates on information, conferences and news.</p>	Noted
11.2	<p><b>Governance Update</b></p> <p>The Report was <b>noted</b>.</p>	Noted
12.	<b>DECISIONS TAKEN UNDER DELEGATED AUTHORITY</b>	
	The Group CEO referred to a potential Tribunal Case as detailed in the Operation Update at Item 6.1, highlighting that a decision under Delegated Authority may be made before the next meeting.	Noted
13.	<b>AOCB</b>	
13.1	The Chair highlighted forthcoming SFHA conference.	
13.2	In response to a member's enquiry on debt costs and interest rates, the Director of Finance and Business Services advised that work was currently underway to review and reforecast CHA financing, looking at potential opportunities to refinance to lower interest	

	rates, but that Ancho's rates with Nationwide are low due to its Libor base, but if rates increase it would be reviewed at that time.	
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The meeting ended at 6:00pm