

**MINUTES OF A MEETING OF THE BOARD OF MANAGEMENT OF ANCHO LIMITED HELD
AT SOVEREIGN HOUSE, ACADEMY ROAD, IRVINE
ON THURSDAY 5 MARCH 2020 AT 7:00PM**

Present: M Black, Zoe Brawn, B Finlay, R Burley, M Allan, K Arrol,
L Stirling, C Love, S Travers, M Donnelly and N Fortnum.

In Attendance: D Adam, Director of Finance and Business Services (Skype)
J Davidson, Director of Customer Services
D Holligan, Head of Finance (Skype)
Morag Boyter, Head of Business Services
P Andrews, Asset Manager ANCHO
C Owens, Governance Services Manager (Minutes)

	Item	Decision
	<p>Board Members only session (incl. Governance Services Manager)</p> <p>Mary Black welcomed all to the meeting and advised of the purpose of the session which all members welcomed and agreed with. Members agreed to continue to hold the members only sessions and review in a few months' time.</p> <p>Members discussed Scottish Housing News articles, training opportunities provided by housing sector bodies, eg; Share, SFHA, how to apply for training and expenses.</p>	
1.	<p>Apologies</p> <p>Apologies were received from J Browne and E Mounce.</p> <p>Board approved a further three months leave of absence for J Browne.</p>	Approved
2.	<p>Declarations of interest</p> <p>None.</p>	
3.	<p>Minutes of previous meeting and Matters Arising</p> <p>3.1 Minutes from the meeting held on 22 January 2020 were proposed by M Allan, seconded by B Finlay and approved.</p> <p>There were no Matters arising.</p>	Approved
4.	<p>Action Tracker</p> <p>Following queries from the members, updates were provided as follows:-</p> <p><u>Item 1</u> – It was confirmed that the proposed Newsletter would go out to all tenants.</p> <p><u>Item 4</u> – there had been delays with better off north Ayrshire documents which would be sent to HMRC and an update provided when available.</p>	

	<p><u>Item 2</u> – caretaker services were being reviewed in relation to the services provided, value, current numbers v demand and future of the service, the number had reduced from five to three caretakers and are re-charged through general rent.</p> <p><u>Item 9</u> – The Chair advised of concerns about the number of times the Finance Training had been set and cancelled and advised that in light of all the new members this really needs to take place. The Finance Training session would be re-arranged.</p> <p><u>Item 13</u> – It was confirmed that IT support had mostly been completed with the exception of S Travers and N Fortnum which were in progress.</p> <p>The Report was noted.</p>	Noted
6.	OPERATIONAL UPDATE	
6.1	<p>Office Refurbishment Project Update</p> <p>The Director of Finance and Business Services advised that the Lease was still in negotiation and to be finalised for signing before the next meeting.</p> <p>The Board approved delegated authority to the CEO to sign the Lease.</p>	Approved
6.2	<p>Small Steps Project Update And Signatories</p> <p>The Director of Customer Services advised that funding was now in place and the new Counselling service was being implemented. Members were also provided with an update on previous staff and assured that HR were satisfied the correct processes had been followed to avoid any potential HR issues.</p> <p>Board approved delegated authority for the Head of Service (ANCHO) to be signatory on the SSP, and for the Chair to sign the relevant authority.</p>	Approved
6.3	<p>Other Current Operational Matters</p> <p>The Director of Customer Services advised the rent increase agreed at the previous meeting had now been applied from 1 April 2020 and tenants had been written to with the information.</p> <p>The repairs and maintenance contract which was a joint procurement with CHA was due to end on 31 March 2021 and a procurement process would be undertaken in 2020/2021 to have a Contract in place from 2021. Updates would be provided.</p> <p>Tenant satisfaction headline figures were reported, the previous survey in 2016-17 had a response rate of 93%, this year it closed off at 63%. Headline figures were overall a slight reduction from 91.1% to 90.6% which was still above Scottish and North Ayrshire averages. Repairs satisfaction improved by 4% to 89.4% which was below the Scottish average. There was an improvement on keeping tenants informed and opportunities to participate. Neighbourhood management and value for money had reduced and it was noted that this may have links to the estate caretakers review and that partnership funding for environmental works could be utilised to make improvements in this</p>	

	<p>area. More detail would follow once headline figures had been analysed further and focus group with tenants were to be held. Overall the survey revealed healthy satisfaction levels.</p> <p>In response to N Fortnum's question on the reduction in response rates the Director of Customer Services advised that although the response rate was still extremely good, the methodology had changed as the previous survey had been completed in-house as part of tenant visits which increases responses, this time it was conducted by a consultancy service, for additional impartiality, and completed door to door. K Arroll suggested using other channels, eg SMS, members discussed the detail of the survey and inability to do via SMS and areas of development through the portal, possibility of using a link, the costs of consultancy, issues with owner occupiers and ensuring feedback to tenants.</p> <p>The Report was noted.</p>	Noted
7.	ITEMS FOR DECISION/APPROVAL	
7.1	<p>Final Business Plan 2020-2023 To Propose To Group Board</p> <p>The Head of Business Services reported on the content of the final BP draft advising that the presentation of the plan would be further improved. The Board had the opportunity to discuss the report and ask questions and following this the points of discussion/changes required in the plan were:-</p> <ul style="list-style-type: none"> - there was some crossover with the Cairn BP where common themes occurred - the Partnership Transition and Integration Plan had now been integrated into the business plan monitoring process. - Members were content with a six monthly review of the BP or quarterly for any high priority areas. - weaknesses on leadership scores came through the Governance Review, were pre-partnership and had been addressed by the Improvement Action Plan and recruitment of new Board members. - detailed programme plans for PIMMS would be coming to the Board this year - 3.4 the tenant communication would be circulated to Board prior to issue to tenants, the importance of customer involvement was acknowledged - the BP was put together before satisfaction survey results, environmental works may now be advanced and would also be included as part of the community benefit element of procurement activity, particularly maintenance and repair contract. - other framework providers would be added in - the North Ayrshire £3m community wealth building funding to develop local area will be explored - discussed intentions to increase tenant members on the Board - all calls would be moving to the Contact Centre, the MATS systems was currently being implemented and as part of that calls, emails, SMS, live chat was rolling out on phased basis getting system and workflows up and running. Board would receive a MATS demonstration mid-2020. - channel shifting was a gradual shift to emails, SMS and self-serve - MATS demo could be included at the Finance Training session 	

	<ul style="list-style-type: none"> - Staff engagement was measured at ANCHO as standalone Best Companies survey last year, now as part of Group. ANCHO scores were to be expected due to significant changes within ANCHO. Aiming to ensure improvements. - risks re asset management strategy were related to issues if we didn't deliver, these would be circulated to S Travers for further information. <p>Members discussed the Review of Customer Involvement and tenant consultation and how it was one of the most important outcomes.</p> <p>Board approved the three year Business Plan, subject to the agreed changes, and recommended it for approval by the CHA Board.</p>	Approved
7.2	<p>Final Budget 2020-2021 To Propose To Group Board</p> <p>The Head of Finance presented the final draft Budget based on previously approved assumptions explaining that it was a zero based budget heavily informed by spend/trends and information from last year. B Finlay was thanked for his previously emailed questions.</p> <p>Key points highlighted in the Budget were:-</p> <ul style="list-style-type: none"> - main movements were on voids, Out of Management and write-offs, reduced significantly due to much lower void rate than previously budgeted for and going forward reduced to 1% from 2% to reflect reality of what is was costing. - garage voids kept at 2%, budget split between two going forward - other income drop in 20/21 due to wider action project which reduces income by 220k with drop in expenditure to reflect. - PM £2m programme, to 1.3m next year to reflect tenant promises and relaxation in banking covenants goes back to normal profile, still meeting tenant promises. - Staff costs reduced due to wider action project end. - Admin costs increased slightly 60k for agency staff costs to cover long term sickness absence, and legal fees and office cleaning increased slightly. - depreciation of housing assets up 60k to reflect additional PM component, offset of additional spend on homes. <p>In response to members' questions the Head of Finance advised:-</p> <ul style="list-style-type: none"> - despite reduction in surplus there is still headroom in covenant and no issues from financial perspective - the significant drop in planned maintenance over the forecast period was due to accelerated spend in the first 2 years of partnership. The relaxation in covenants was to enable additional spend, the interest cover covenant budget reflects the maximum spending to maintain covenant and meets tenant promises, and over 30 years planned maintenance would easily meet the components within ANCHO stock - Staff costs increases were based on inflation. - The only increase in value in Profit & Loss and net assets is from drawdown of bank loan which is different from a commercial environment as we invest back into stock, is based around covenant compliance and aims to spend as much as possible back into stock. The only way to gain additional income is by new build. Net assets don't grow as it is all invested back into business. Assets 	

	<p>are in as a cost not revalued each year, banks get a valuation done every 5 years. Nationwide had done this recently as they required a market value for lending.</p> <ul style="list-style-type: none"> - 3% increase in rents for year 6 onwards assume a CPI increase <p>The Board approved the draft budget for 2020/21 and the 30 year financial projections and agreed consolidation of this within the Group Budget.</p>	Approved Agreed
8.	GROUP UPDATES	
8.1	<p>T&Cs Harmonisation and Job Evaluation Projects</p> <p>The Director of Finance and Business Services advised there was no update due to ongoing work on benchmarking.</p> <p>The report was noted.</p>	Noted
8.2	<p>Partnership Investment Delivery Update - Year(2) End.</p> <p>The Asset Manager (ANCHO) presented the update highlighting challenges over the last year in increasing costs and non-access which would take time to resolve. There had been significant investment since the partnership and the tenant promises plan was still achievable. Legal advice was being sought on non-access.</p> <p>In response to members' questions the Asset Manager advised:-</p> <ul style="list-style-type: none"> - detectors and rewiring had been completed and any upgrades incorporated in the 2020/21 plan - There had been no issues with recent bad weather and no flooding issues. - More information on non-compliant doors would be brought to the next meeting. Information on current standards was coming through and there may be a requirement to replace windows. Legal aspects and external consultant reports had been considered. Doors would be replaced and we are compliant with a plan in place. - Safety switches were standard industry rewires <p>The report was noted.</p>	Noted
8.3	<p>Group Transition & Integration Plan Update</p> <p>It was agreed that the Update would be brought back to the next meeting.</p>	Agreed
8.4	<p>Governance Improvement Plan Update</p> <p>Members confirmed they would prefer to monitor progress separately from the Business Plan. The Governance Services Manager would bring an updated version to the next meeting.</p>	
9.	ITEMS FOR DISCUSSION/EARLY VIEWS	
9.1	<p>Board Remuneration Review</p> <p>The Governance Services Manager advised members that further to some views expressed at the last meeting to revisit ANCHO Board</p>	

	<p>remuneration, as the recommendations in the Report had been approved by CHA Board as parent, the correct protocol, particularly in relation to avoiding any conflicts of interest, would involve recommissioning an external consultant to make any further recommendations.</p> <p>Members discussed the increased responsibilities/time requirements for Board members, sector practice and views, the size of the organisation, costs of the consultant and payments to office bearers.</p> <p>Following discussions N Fortnum proposed that a vote be taken on whether to revisit Board remuneration. A vote was taken, the majority were not in favour and it was agreed not to revisit Board remuneration.</p>	Agreed
10.	ITEMS FOR NOTING/PROGRESS MONITORING	
10.1	<p>Q3 Management Accounts</p> <p>The Head of Finance presented the report and in response to members' questions advised:-</p> <ul style="list-style-type: none"> - That the adaptations figure showing as zero in Asset Management reflected a lag in receipt of funding. - In response for the accounts to be reported consistent with the budget in terms of capitalisation, there were different reporting requirements and it would be useful for Board to agree which format they prefer as it currently is reported in this format in the 5-yr plan for the regulator. The Head of Finance would discuss this further with members following the meeting. <p>Board noted the Management Accounts to 31 December 2019.</p>	Noted
10.2	<p>Q3 Performance</p> <p>The Head of Business Services presented Q3 performance advising the current format to the end of year which would then run aligned to Bus Plan and responded to members' questions:-</p> <ul style="list-style-type: none"> - The turnover target typo would be amended and it was confirmed that the figure included the Better Off NA leavers. - The Asset Manager confirmed that long term sickness absence levels and turnover had not negatively impacted staff morale. - The Asset Manager advised the number of emergency reactive repairs is typical and response time was two hours, which the Chair commended. - More information on types of complaints and reasons for arrears was requested by the Chair, this would be further discussed with SMT members. SMT agreed to meet with the Chair to agree a report that would provide clarity and more detailed information for the Board. - The purpose of the Customer Service Advisor recruitment/role would be further discussed by SMT - Overheads % for total expenditure should be overheads as % of rental income which would be added in. - A member pointed out that the Health & Safety performance was extremely good for the type of business and level of contractor involvement. The Asset Manager advised that additional H&S information had been requested from contractors and the figures from April would be more detailed. 	

10.3	<p>- A member enquired in relation to driving down arrears and promoting early interventions what they were and whether there was any scope to be more proactive around digital communication. The Director of Customer Services advised that income management systems were being explored and Mobyssoft technology had been implemented with good results. Members went on to discuss the impacts of Universal Credit.</p> <p>The Chair asked that staff be congratulated on the overall good performance reported and thanked for their hard work.</p> <p>The report was noted.</p> <p>FOI Reporting</p> <p>The Governance Services Manager reported that the Q1 report had been submitted to the Information Commissioner and that the FOI process was being reviewed for what went well in the process and any areas for improvement.</p>	Noted
10.4	<p>Board Meetings Schedule/Forward Planner</p> <p>The forward planner was noted.</p>	
11.	GOVERNANCE & REGULATION	
11.1	Recent SHR publications/guidance for information were referred to	
12.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
12.1	None	
13.	AOCB	
13.1	The Chair reminded members to read through SFHA forthcoming events and conferences and contact the Governance Team should they be interested in attending any.	
13.2	The Chair advised that CHA were named one of the best UK employers third year running and had also received a commendation for mental health work and should be congratulated for this achievement.	
13.3	Members were advised that communications relating to coronavirus were on CHAT and would be on the website and a working group and been set up.	
13.4	Name badges would be provided for members at the next meeting.	
13.5	The Induction Session was discussed and it was agreed this would be rescheduled and that new members would benefit from an estate tour. The Chair re-iterated the importance of all new members and any existing members receiving the Induction Session as soon as practically possible.	

The Meeting closed at 8:55pm