

Minute
Management Board Meeting of Ancho Limited
Thursday 2 December 2021 at 7:00pm
Via Teams

Present: Bill Finlay
 Steven Travers
 Angus Lamont

In Attendance: Jason MacGilp, Group CEO and Company Secretary CEO
 Meg Deasley, Director of Property Services DPS
 Morag Boyter, Director of Business Services DBS
 Sean Connor, Director of Customer Services DCS
 Derek Adam, Director of Finance & People Services DFPS
 Carolyn Owens, Governance Services Manager GSM
 Catherine Bradley, Governance Services Assistant (*Minute*)
 Julie Sinclair, Finance Manager FM
 Paul Andrews, Asset Manager AS
 David Davidson, Spence and Partners (item 9.1)

Report	Item	Action
1.	Board Members only (if required)	
2.	<p>Apologies</p> <p>Apologies were received from Mary Black (LOA), Colin Love, Nigel Fortnum, Mark Cunningham and Zoe Brawn. The meeting was not quorate.</p>	
3.	<p>Declarations of Interest</p> <p>Steven Travers and Angus Lamont declared an interest in CHA.</p> <p>CEO declared an interest on behalf of Ancho employees for item 9.1 and 9.2.</p>	<p>Noted</p> <p>Noted</p>
9.1	<p>Pensions: Risks, Liabilities and Options</p> <p>Presentation by David Davidson, Spence & Partners</p>	
	<p>David Davidson from Spence delivered a presentation – this was recorded and can be viewed on Teams.</p> <p>The Chair asked what would happen if and when Ancho staff become Cairn staff. DD advised that there should be an agreement in place with the fund that addresses this before it happens. The various options were discussed. These options are made more complex by the volatility of the key assumptions and their impact on the numbers. Prefunding the liabilities and the appropriate time to withdraw were both explained and discussed.</p>	

	<p>The DFPS will speak to David Davidson about how to approach Strathclyde and on what the most favourable option would be.</p> <p>David Davidson left the meeting.</p> <p>The full discussion and presentation is available to view on Teams.</p>	Action DFPS
4.	MINUTES OF PREVIOUS MEETING, MATTERS ARISING	
4.1	<p>Joint Governing Bodies Meeting Minute – 28/10/2021</p> <p>Minutes of the Joint Governing Bodies meeting held on 28 October 2021 were noted and will be circulated via email for approval.</p>	Noted Action CO
4.2	Strategy Day Minute – 29/10/2021	
	<p>Minutes of the Strategy Day held on 29 October 2021 were noted and will be circulated via email for approval.</p>	Noted Action CO
5.	ACTION TRACKER	
5.1	Action Tracker	
	<p>The DPS suggested that due to the lack of activity at the site, the proposed Redford Place visit be delayed to the Spring. This was agreed.</p> <p>The Action Tracker was noted.</p>	Noted
6.	OPERATIONAL UPDATE	
6.1	Ancho Operational Update	
	<p>The DCS advised that with regards to the development of the hardship fund, a number of possibilities are being considered including a food pantry. Staff are identifying some criteria that tenants would need to meet in order to be able to access it. A member asked if there had been any investigation into what other organisations are offering. The DCS advised that a number of funds have been looked at as well as the options that have been offered. He would like to use some of the fund to try and work with a partner to tackle the long term issues as well as the immediate issues.</p> <p>The DCS provided a verbal update in support of his written report.</p> <p>With regards to the rental arrears and the one eviction, the Chair asked about the financial costs of the eviction. The DCS confirmed that the rent arrears and the legal fees take the total cost into the 5 figures. He emphasised that eviction is always a final resort.</p> <p>The report was noted.</p>	Noted

7.	ITEMS FOR DECISION/APPROVAL	
7.1	<p>Annual Risk Report and Strategic Risk Register</p> <p>The DBS provided a verbal update in support of the report. She advised that the update of the risk review includes the change to the scoring matrix approved by the Audit and Performance Committee. This decision was taken on the back of the internal audit where it was advised that a change would provide better visibility of the risk. She drew members' attention to risk number 6 which is sitting in red due to the integration of Pentland HA. She advised that the risk will be reviewed on a regular basis until it is back to the amber level. In response to a question by the Chair regarding the methodology on the point system, the DBS advised that the points are a guide. Nothing should score over 25. The scale narrows as it gets higher. All the risks at the higher end should be treated as seriously as each other.</p> <p>A member asked with regards to the tolerances, all the blue boxes are at the top end of the risk tolerances. The DBS advised that the vertical line of targets were ambitious. It would be reviewed if the members felt concerned.</p> <p>The Risk Register was Noted and will be circulated via email for approval.</p>	Noted Action CO
7.2	<p>Nationwide Loan Agreement Amendment</p> <p>The DFPS advised that an amended letter from Nationwide has been received to approve the change in the covenant for this year. The amendments to the covenant include the addition of £420k available to spend this year, and a slight change to the covenant to eliminate a non cash item which was interest on the pension cost. It is now a purely cash covenant which allows Ancho to spend more on Planned Maintenance this year.</p> <p>A member asked for detail on the legal advice. The DFPS advised that he can distribute the email but that it was a quick one-liner stating no concerns.</p> <p>The amendment was Noted and will be emailed for approval.</p>	Noted Action CO
8	GROUP UPDATES	
8.1	<p>Partnership Investment Delivery Update</p> <p>The DPS highlighted appendix 3 in the discussions on the door entry systems and the mixed tenure challenge, detail of which had been requested previously by the Board, she had prepared a paper which outlined the context of the challenge and provided a verbal update in support.</p> <p>A member noted the difficulty of the issue. He raised concern over the safety related issues on the overall investment plan, the</p>	

	<p>timeline and whether the team are comfortable that the works can be completed safely and in the timeframe. The AM agreed that it was concerning and there needs to be a discussion on the approach to access to ensure the work gets completed. Talks on different approaches will continue with colleagues across the sector and also conversations will be had with local fire brigades to see if they can accompany staff on works visits.</p> <p>The report was noted.</p>	Noted
8.2	Pentland Transfer – Update	
	<p>The CEO provided an update, highlighting the positive PHA tenant ballot. He advised that there had been a majority of shareholders in favour of the transfer at the first of the 2 PHA SGMs. The Cairn Board on the 9th of December will be asked to approve the accepting of the transfer and then the PHA shareholders will have a final SGM at the end of December. The legal process will then be complete and detailed integration work will commence.</p> <p>A member asked about the potential effect to Ancho of the Pentland HA ToE. The CEO advised that there would be minimal impact. Any fundamental changes would be brought back to the Board next year.</p> <p>The Chair asked about the upcoming major IT projects. The DBS provided an update. A project plan is being developed for the next 2 years, the biggest element will be the replacement of the housing management system. This will impact on Ancho because Cairn and Ancho use Open Housing but in slightly different ways. The new setup would mean that the associations were working in a more similar way. She would be happy to bring the presentation that is going to the Cairn Board in December back to the Ancho Board in January.</p> <p>The update was noted.</p>	<p>Action DBS</p> <p>Noted</p>
9.	ITEMS FOR DISCUSSION/EARLY VIEWS	
9.1	<p>Pensions: Risks, Liabilities and Options Presentation by David Davidson, Spence & Partners</p> <p>Taken after Item 3.</p>	
9.2	Pay Negotiations Update	
	<p>The DFPS advised verbally that EVH had previously set a ceiling of 2.5% on the current pay deal. Inflation is now 4.2% and EVH have asked for member feedback so that they can go back to the unions to further negotiate. The current favoured option is to delay until next year and see what happens to inflation. Discussions would commence again in late January. Ancho employees are still members of EVH. DFPS had budgeted 2.5%.</p> <p>The report was noted.</p>	Noted

10.	ITEMS FOR NOTING/PROGRESS MONITORING	
10.1	<p>KPI's (to follow) – the pack was not available in time for the meeting.</p> <p>Any queries to be fed back to the DBS.</p> <p>In response to a member query, the CEO advised that there is some concern on the continued underperformance on income collection. The void situation is also being monitored. The CEO also advised that following a discussion at the A and P committee meeting and following discussions at the strategy day about how to create more time during Board meetings, there is a short paper going to the Cairn Board with some open questions on the approach to this. He will circulate to the Ancho members and there can be discussion at the January meeting.</p> <p>The report was noted.</p>	<p>Action CEO</p> <p>Noted</p>
10.2	Board Meetings Schedule/Forward Planner – in Teams	
11.	GOVERNANCE & REGULATION	
11.1	<p>Recent SHR publications/guidance for information</p> <p>The GSM advised that a link to the SHR website has been circulated as there has been some updated guidance on risk and assurance.</p>	
11.2	<p>Governance Update</p> <p>The GSM advised that the FCA has acknowledged the registration of the amended Ancho Rules. The SHR would now be informed.</p> <p>The lack of quorum was discussed as well as potential Board member recruitment. The GSM advised that there was a late application during the last round for recruitment and she asked for permission to contact her. The applicant was enthusiastic but was not a tenant. Permission was granted.</p> <p>Different targeted approaches to recruitment was discussed including looking to Eydent as they have engaged members and TPAS as they have good experience of engaging with tenants.</p> <p>The report was noted.</p>	<p>Noted</p>
12.	Decisions taken by Exec team under delegated authority (Policies available on request)	
12.1	<p>Menopause Policy</p> <p>The DFPS explained the new policy and advised that it had been approved by the Exec team.</p>	
12.2	<p>Bullying and Harassment Policy</p> <p>The DFPS explained the changes to the policy and advised that it had been approved by the Exec team.</p>	

	The schedule of delegated authority will be brought to the Board for approval/changes in the Spring.	
14.	DATE OF NEXT MEETING	
	20/01/2022	