

BOARD MINUTES



Meeting Date: 05 May 2022
Time: 6pm
Venue: Via MS Teams

Board Members in Attendance

Adam Turner
Martin Joyce
Neil Tulloch
Chris Boyle
Jeremy Hewer
Steven Prevost
Vicky Bluck
Craig Morton

Apologies

Anne Gault

Staff in Attendance

John Davidson	Chief Executive
Sandy Young	Director of Housing Management
Iona Taylor	Director of Asset Management
Craig Porter	Director of Finance and ICT
Tammy Allan	Business Improvement Officer (minutes)

Others in Attendance

Please note that these minutes have been edited to remove any commercially sensitive or confidential discussions.

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STANDING ITEMS

6764	<p>Welcome</p> <p>The Chair welcomed everyone to the meeting.</p>
6765	<p>Apologies</p> <p>A record was made of apologies from non-attendees.</p>
6766	<p>Use of Seal</p> <p>None.</p>
6767	<p>AOCB Approval</p> <p>JD advised that he had an update to provide regarding the cost-of-living award which he would take as AOCB at the end of the meeting.</p> <p>AT also advised that Board interviews had taken place and he would provide an update as AOCB as well as providing an update on the current Board appraisal process.</p>
6768	<p>Declaration of Interest on any Agenda Items</p> <p>None.</p>
6769	<p>Minutes from Previous Meeting</p> <p>AT noted that JH enquired in March what the Association’s approach would be with regards to supporting refugees coming from Ukraine and AT queried whether there were any updates. SY confirmed that the Association has offered properties on a similar basis as was provided for Syrian and Afghan refugees, but he was awaiting a further update from West Lothian Council regarding the next steps.</p> <p>The Board approved the Minutes from the previous meeting without amendment.</p>
6770	<p>Matters Arising/Update/Information Papers for Discussion</p> <p>AT referred to the report provided by Imogen Blood and noted that he hadn’t had time to review it yet. SY noted that it would be best to provisionally book Imogen Blood to attend the August Board meeting to present their findings. The Board agreed that Imogen Blood should be invited.</p>
6771	<p>Board Members – Items for Future Meetings</p> <p>None.</p>
6772	<p>Board Training – Verbal</p> <p>AT advised that he had attended training at his place of work in relation to diversity awareness. The course involved putting yourself in other people’s shoes. AT noted that the course was very striking and that one of the key messages is that we should all be mindful of the differing reasons why you might not have heard from someone in a considerable time. We should open the floor for these people as there may be various underlying reasons that you are not aware of.</p>
6773	<p>Chief Executive’s Report</p> <p>JD presented the report and advised that the Association is currently awaiting the outcome of further investigations to establish if there is any potential risk to other blocks similar to the one in Katherine Street.</p>

AT noted that it would be useful to hear about any other findings and wondered if there would be anything that the Association needs to be worried about. IT advised that she met with the loss adjuster and the consultant in Katherine Street today to discuss the scope of the work that will be required to repair the building. IT advised that there are some flats located in the amber zone where it was initially felt that they would require minimal work, but this may not be the case. There is currently an investigation around the construction of the block. IT advised that it is a concrete block that was refurbished in the 1980s where a timber weather board was screwed to the front and it is felt that this may be the reason why the fire spread so quickly. IT moved on to advise that she is due to meet with the architects on Tuesday and the consultant will also be able to advise if there is any risk to other blocks. We may need to consider installing a sprinkler systems or other significant work.

NT queried whether the strange structure of the building was limited to Livingston or does the Association need to share its findings. IT advised that this would be a possibility and once we have more information, building control will be informed.

CB advised that in terms of the fire engineer, getting advice can sometimes be difficult. He queried whether AHA have qualified the quality of the advice that we have received and whether the engineers stand by the advice given. IT advised that this had not been done yet, but noted that it is still early in the process. The risk just now is reviewing the building that has been affected and any other buildings going forward. IT also advised that from building control's perspective, we must look at the other buildings that AHA owns that may also be affected.

SP noted that the unexpected can always trip us up and he queried how many buildings AHA have that are of a similar style. IT advised that there are five or six blocks but the difficulty lies where we are not the factor of the block. However, in those instances we would liaise with building control.

[REDACTED]

[REDACTED] CP advised that he has already informed the Association's lenders regarding the potential increased costs. The lenders have advised that they can relax the financial covenants once the final costs are known and once we know when the work can be delivered. [REDACTED]

[REDACTED]

For a future item, CB advised that new building regulations were recently released and noted that it would be beneficial to invite someone along to discuss the possibility of future issues.

JD moved on to refer to the proposed amendment to the Standing Orders with regards to the Financial Regulations. The Board noted that there was no significant risk and they were therefore happy for this element to be removed.

JD informed the Board that the Association's Housing Support Manager, Tracey Longworth, had been successful in securing a place on the Scottish Board for Women in Social Housing (WISH) and noted that it is great to have a representative from AHA. The Board noted their support for TL and advised that it is a great opportunity for her.

	The Board noted the content of the Chief Executive’s report.
REPORTS FOR DECISION	
6774	<p>Reports to be approved following Audit & Finance Sub-committee – Risk Map</p> <p>VB presented the risk map and informed the Board that it was straightforward with a minor amendment required. VB also referred to a previous recommendation that AHA should note how risks detailed within Board reports are linked to the risk map. VB also advised that she can provide advice on how best not to over-complicate it.</p> <p>The Board noted the status of the risk map as recommended by the Audit & Finance Sub-committee.</p>
6775	<p>Reports to be approved following Audit & Finance Sub-committee – Bad Debt Write-Off</p> <p>VB advised that the Bad Debt Write-Offs that were requested were straightforward.</p> <p>There were no queries from the Board.</p> <p>The Board agreed the proposed bad debt write-off/write-off of credit balances as recommended by the Audit & Finance Sub-committee.</p>
6776	<p>Accounting for Pensions</p> <p>CP presented the report and advised that it was a standard paper and it had been prepared using the information that was available in February. CP also advised that on this basis, Board are asked to take their view on three elements for calculating the deficit.</p> <p>CP noted that reflecting on the plan, the default rates for inflation would be the factors that we would look at as detailed in the report and the model is showing low rates of inflation. If inflation rates are low, this has a positive effect on the deficit.</p> <p>CP advised that the recommendation is that we don’t accept low levels of inflation and flex the value by 0.3% as detailed in the paper. It doesn’t affect the surplus for the year, but it does give us the ability to focus on the retained surplus.</p> <p>There were no questions from the Board.</p> <p>The Board agreed the accounting for pension assumption to use the cost and growth assumptions provided by TPT and maintain The Pension Trust’s assumptions on discount rates and life expectancy with the pensions calculator for the defined benefit pension with SHAPS.</p>
6777	<p>Insurance Renewal</p> <p>CP advised that AHA are looking for Board members to homologate the approval given from the Chair and Vice Chair and advised that we were awaiting confirmation of what the insurers were going to offer. CP also advised that approval was required from the Chair for 1st April.</p> <p>CP moved on to advise that the requirement from the lender is that AHA have insurance on the properties that we own and due to an increase in cyber-crime, the sum of the insurance has dropped dramatically. The price received is the best one that AHA could get from the broker and others couldn’t provide cyber insurance at that time.</p> <p>AT advised at this point that Marsh had done all that they could and that the circumstances were limited.</p>

	<p>The Board homologated the decision of the Chair and Vice Chair to approve the Director of Finance and ICT to accept insurance costs for 2022-23 and enter into a new three-year contract with the Association's insurer, Protector.</p>
6778	<p>Loan Portfolio Return</p> <p>CP presented the report and informed the Board that he was looking for approval to submit the Returns.</p> <p>CP moved on to advise that a standard spreadsheet has been used to prepare the Return as the SHR have not opened the portal yet.</p> <p>CP also advised that the Association's solicitor is dealing with the insurance that is held on the land that we own but not properties. However, properties were built on this land and security was provided to the lenders.</p> <p>The Board approved the submission of the Loan Portfolio return by 30 June 2022 to the Scottish Housing Regulator. The SHR has implemented a new website in 2021 for the submission of the loan information. The website is still to open for submission, but due to the timings of Board meetings, a summary of the submission information is included within Appendix 1 and will be submitted once available.</p>
6779	<p>Five Year Projections</p> <p>CP presented the Five-Year Projections to the Board and informed them that he was looking for approval of the submission of Returns.</p> <p>CP also advised that the Board previously approved the Budget in February and the amounts reflected in the Return are 100% against what is detailed. Only now are they in a format that the SHR can benchmark and review.</p> <p>The Board authorises the Director of Finance & ICT to submit the Five-Year Financial Plan to the Scottish Housing Regulator by the filing deadline of 31 May 2022.</p>
<p>Housing Management</p>	
6780	<p>Allocation Report</p> <p>SY presented the report and advised that the content is self-explanatory. The allocation is standard and would be made to a family member of a member of staff. SY also reassured Board that the member of staff was not involved in the allocation process.</p> <p>The Board noted the decision taken by the Chief Executive to approve the offer of a tenancy to a relative (CHR case 10350) of an Almond HA employee.</p>
<p>Asset Management</p>	
6781	<p>AEL Business Plan & Budget approval</p> <p>IT presented the AEL Business Plan & Budget and informed the Board that this was approved by the AEL Board of Management at their February meeting. IT moved on to advise that the major change in this plan is that AEL is looking at sustainability and other functions that they could carry out on behalf of AHA, such as fencing and painting.</p> <p>AT queried why these functions have not been explored before now. CP confirmed that these are areas that have been discussed in the past, but they were never moved forward.</p> <p>The Board noted the contents of the AEL Business Plan (including Budget) presented by AEL.</p>

Finance and ICT

6782

ICT Update

Information removed or edited due to information relating to personal/confidential items or being commercially sensitive.

CP presented the ICT update paper and advised that it had been prepared to make Board aware of what actions have been progressed since the additional resources in the team were approved.

CP advised that last year significant investment was made with regards to network improvements. Everything has been taken up to the Cloud with Amazon web services. This is working well with monthly back-ups and restore. CP also advised that network security is paramount with hybrid working in place.

A number of virtual servers are being progressed and the servers are having to be redesigned. This is purely because every IT member of staff would design a server differently and the current servers were designed by the previous ICT officer.

The Board **noted** the achievements of ICT in the delivery of the ICT projects and plan.

The Board **noted** the Digital Assessment and Strategy of the 2022-25 and associated roadmap.

Corporate Services

6783

Annual Return on the Charter

JD presented the report and advised that he was looking for approval from Board members for the Return to be submitted. JD also noted that the Return will be presented to the Tenant Focus Group before it is submitted.

JD advised that Christine Dugan is due to complete a validation visit but this won't be completed until after the Return is submitted. JD advised that she has completed these visits a few times now, so the plan is to carry out a shorter visit this time around.

The Board **noted** the content, and **approved** the Draft Return for submission to the Scottish Housing Regulator.

6784

Annual Assurance Statement

JD informed the Board that AHA were looking for volunteers from the Board to join the short-life working group. He advised that there will be a similar process to last year in reviewing all of the Association's evidence that goes along with the Assurance Statement. SP, NT and CB all volunteered to join the working group.

The Board **approved** the recommendation to form a short-life working group to review the evidence for the Annual Assurance Statement

6785

Revised KPI reporting 2022/23

JD informed the Board that the proposed KPI's as detailed within the report would be for the coming year which also include some revised targets against existing indicators. JD advised that there have been a few changes but the number of KPI's remains similar.

JD also drew the Boards attention to the fact that the Associations results for 2020/21 for 16 indicators where better than the Scottish average but overall the 20/21 results were positive.

There were no questions from the Board.

	<p>The Board approved the revised Key Performance Indicators and targets for reporting on the operational performance of the Association.</p>
<p>CONSENT AGENDA</p>	
<p>6786</p>	<p>Consent Agenda</p> <p>IT referred to the quarterly planned programme update and referred to a previous update regarding increased costs. IT advised that she wished to make Board members aware that two of the Association’s contractors have advised that although they were procured last year they are having to increase their costs, with one of them increasing their costs by 14% to cover labour, fuel and material costs. IT moved on to advise that AHA has checked these increases with the contract administrator and consultants who have advised that these increases are reasonable. [REDACTED]</p> <p>These are the only two contractors who have approached the Association so far, but it is anticipated that others may propose increases. However, any increases will be appraised before any agreements are made.</p> <p>The Board agreed to the recommendations within the consent agenda.</p>
<p>6787</p>	<p>AOCB</p> <p>AT informed the Board that interviews for potential Board members had taken place. There were a number of candidates and the list was then shortlisted to four who were invited along for an interview. AT moved on to advise that three of those interviewed have been selected and their applications will be brought to the August Board meeting for approval before they can be co-opted onto the Board.</p> <p>AT gave a brief overview of the three potential Board members’ professional backgrounds and advised that they would be welcome additions to the Board while also noting that their appointment would widen the diversity of the Board.</p> <p>It was noted that we required tenant representation on the Board and MJ queried whether as an organisation, we understand the diversity of our tenants. JD advised that the customer profiling exercise that is being carried out is helping gather this information, but we must ensure that the information gathered is being used effectively.</p> <p>JD also advised that the Community Engagement Officer role is moving into Housing and will help develop tenant participation within AHA.</p> <p>JH queried whether there was potential to work with other organisations such as TPAS to encourage tenant involvement with the Board.</p> <p>SY advised that the Association has a consultation list and going forward we will also be asking questions in the Almond View. We can tailor the questions that Board are asking and when more information comes back from the profiling exercise, we can review tenant data further.</p> <p>AT noted that tenant representation needs to be a focused discussion and it is obvious that it is a key topic for Board members. It was agreed that this would be a future agenda item.</p>
<p>6788</p>	<p>AOCB</p> <p>AT referred to the next round of annual appraisals and reminded all Board members to respond to TA with regards to their availability.</p>

6789	AOCB With regards to the annual cost-of-living award, JD informed the Board that an external consultant, Gary Brewer, is working on the report at present and once finalised, it will be presented to the Staffing Sub-committee before being circulated via email among Board members for final approval. JD noted that this would need to be approved before 1 st July 2022.
	Date of Next Meeting: 04 August 2022

Approved by:

Date: