



MARYHILL HOUSING ASSOCIATION LIMITED

MINUTES OF THE BOARD MEETING HELD ON TUESDAY 29TH SEPTEMBER 2020 AT 6.00 PM VIRTUAL MEETING VIA CONFERENCE CALL

| Board Members | Attended | Apologies | Officers | Items |
|------------------------------|----------|-----------|----------------------|-------|
| Roger Popplewell (RP) | ✓ | | Bryony Willett (BW) | 1-11 |
| Caitlyn Maccabe (CM) | ✓ | | Jennifer Simon (JS) | 1-11 |
| Isabella McTaggart (IM) | ✓ | | Lesley Carnegie (LC) | All |
| Janaki LakshmiNarayanan (JL) | ✓ | | | |
| Jenny Crowe (JC) | ✓ | | | |
| Lindsay Forrest (LF) | ✓ | | | |
| Najah Plakaris (NP) | ✓ | | | |
| Paul Imrie (PI) | ✓ | | | |
| Raphael Rickson (RR) | ✓ | | | |
| Richard Turnock (RT) | | ✓ | | |
| Tim Holmes (TH) | ✓ | | | |

| Item No. | Issue | Action by |
|-----------|---|-----------|
| 1. | Welcome | |
| 1.1 | RP welcomed everyone to the meeting, explaining that as it was the first Board meeting after the AGM the first matter of business was to agree Chair and Vice Chair for the year, which was covered by the paper at item 4 of the agenda. | |
| 1.2 | BW advised that RP had put himself forward for Chair and PI had put himself forward for Vice Chair. These two appointments were agreed by Board. BW then handed over to RP as Chair to lead the rest of the meeting. | |
| 1.3 | Apologies were noted from RT and there were no declarations of interest. RP reminded Board members to sign and return their annual declaration forms and Code of Conduct. | All |
| 2. | Approval of Board Minutes – 26th August 2020 | |
| 2.1 | Board agreed a minor amendment to the minutes relating to paragraph 14.6. With this amendment Board then approved the minutes from the meeting held on 26 th August 2020. | LC |
| 3. | Action Tracker | |
| 3.1 | BW provided an update on the Glenavon render issue, advising that this | |

| Item No. | Issue | Action by |
|-----------|---|-----------|
| 3.2 | <p>was progressing slowly. All parties had now expressed an interest in moving forward with mediation, but none were willing to do that until their expert witness reports had been completed. Four such reports are being prepared and all are currently ongoing. Until all are received the Association can only wait. Board will continue to receive an update at each meeting.</p> <p>TH asked if there was any risk to Association if it agreed to mediation. BW advised that mediation would run in parallel to legal action but could mean a quicker process and lower legal fees. The legal advice received was that mediation may be good way forward, but that it will be complicated as there are so many parties involved. BW confirmed that before anything was formally agreed the decision would be brought back to Board.</p> | |
| 3.3 | <p>LF asked if tenants in the flats were being kept up to date. JS confirmed that they had been given various communications but that another letter was due soon. It was agreed an update would be provided to customers in a letter in the next month.</p> | BW |
| 3.4 | <p>An update on fraud training was requested by PI. BW advised that RW had prepared the training video but had to re-record one bit where sound quality was poor. PI asked if this was going to mean a delay perhaps the document could be made available on BoardPacks. BW agreed to check this and ensure the training was available to Board members as soon as possible.</p> | BW |
| 3.5 | <p>Board then approved the Action Tracker including all actions proposed for closure.</p> | |
| 4. | Practical Governance issues | |
| 4.1 | <p>RP introduced this item, explaining that following the AGM various decisions need to be made around committee membership and the Board schedule.</p> | |
| 4.2 | <p>Board members were asked who would be part of the Staffing Panel for the coming year. IM, JC, NP, PI and TH agreed to be on the Panel.</p> | |
| 4.3 | <p>Board members were asked who would be the core membership for the Audit & Risk Committee. LF, NP, PI and RP agreed to be members of the Committee. LC agreed to confirm with RT that he would also continue on the Committee.</p> | LC |
| 4.4 | <p>Board members were asked who would be members of the Development Hub Board. IM, RR and RP agreed to be members.</p> | |
| 4.5 | <p>Board members were then asked to approve proposed changes to the remits for the Staffing Panel and Audit & Risk Committee. Both of these documents were approved by Board.</p> | |

| Item No. | Issue | Action by |
|-----------|---|-----------|
| 4.6 | Board members were then asked to approve proposed changes to the Delegation Schedule and Invoice Approval Schedule. Board members asked what the feedback had been from the internal auditor on these documents. BW advised that they had just noted that these were discussed but that there were no specific comments or recommendations made. | |
| 4.7 | Clarification on the procedure for Directors approving salaries was requested. BW advised that this was a new procedure that was being fully documented to set out exactly what has to be checked on the salaries before approval. | |
| 4.8 | It was agreed that job titles / descriptions would be added to the invoice approval table to clarify the different grades. | BW |
| 4.9 | BW advised that a change was being proposed so that the Director of Resources could approve invoices for any work ordered by the CEO, rather than the CEO approving this herself. This was more robust and provided a better check and balance. The new process was being developed by the Director of Resources and Head of Finance to ensure this was appropriately managed. | |
| 4.10 | Board then approved the revised Delegation Schedule and Invoice Approval Schedule. | |
| | Board Schedule | |
| 4.11 | <p>RP then moved on to a series of questions asked of Board around the schedule of meetings and other activities for the coming year. Board agreed the following:</p> <ul style="list-style-type: none"> • Board and Committee meetings should be held on Mondays at 6pm, except where a Bank Holiday occurs when an alternative suitable date will be agreed. • Away Days should be full day events held locally. • Away Days should be held on Saturdays. However if someone cannot attend on Saturdays, at least one Away Day should be held on a day that suits that person. • If COVID-19 restrictions allow, a low key dinner should be arranged for Board in January 2021. If restrictions are still in place this should be delayed – Board members did not want a virtual dinner. • The remaining money usually used for a Christmas dinner should be donated to charity. | |
| 4.12 | The Board Schedule would be changed to reflect this and new invitations sent. | LC |
| 5. | Revised 2020/21 budget | |
| 5.1 | BW noted that the financial impact of COVID-19 would be evident in the Association's longer term financial plans, rather than in the current year's | |

| Item No. | Issue | Action by |
|-----------|---|-----------|
| 5.2 | <p>budget.</p> <p>Board approved the revised budget for 2020/21.</p> | |
| 6. | Revised 2020/21 financial business plan and five year financial projections | |
| 6.1 | <p>BW answered questions that had been received from Board members in advance of the meeting. BW confirmed that the cost of the air source heat pump project was currently estimated at almost a third more than originally anticipated. However BW advised that this amount may reduce as the project progresses.</p> | |
| 6.2 | <p>BW confirmed that the primary reason for the anticipated covenant breach in years 2 and 3 of the plan was the delay in the air source heat pump project, which had been impacted by COVID-19 restrictions. This meant that there was more spend in a shorter period of time in these years. BW advised that the programme may be extended into a 5th year if it became evident that there was too much work to complete within this shorter period of time. This would mean covenants would not be breached, but would mean a longer programme than what was promised to tenants.</p> | |
| 6.3 | <p>TH expressed his concern about the covenant breach. BW advised that it would be managed proactively with the bank, who would be warned in advance. The aim would be to agree an exemption with them up front.</p> | |
| 6.4 | <p>IM and PI stressed the importance of keeping tenants informed on any stretch to the programme and the reasons why.</p> | |
| 6.5 | <p>TH asked if the original option appraisal should be revisited given the expected higher cost of the project. BW confirmed that this was currently being looked at for the flats at Glenavon. A tender was being carried out for a more detailed feasibility study. The results would be presented to a future Board meeting.</p> | |
| 6.6 | <p>Board then approved the revised 30 year financial business plan and the five year financial projections (FYFP) return for submission to the SHR.</p> | |
| 7. | Rent setting proposals for 2021/22 | |
| 7.1 | <p>RP introduced this item, explaining the importance of balancing affordability for tenants and viability for the Association when setting future rents.</p> | |
| 7.2 | <p>TH expressed his concern that the Association had previously used an average CPI but that because August's CPI was so low the paper suggested changing this to run with the August rate. BW confirmed that an average was used last year, and if this approach was used again the rate would increase from the 0.2% proposed in the paper to around 0.6%. RP noted that the paper was based on expert advice from external company DTP, who had advised that inflation was expected to remain low</p> | |

| Item No. | Issue | Action by |
|-----------|--|-----------|
| | over the coming year. IM noted that the impact of COVID-19 on tenant's jobs and income meant that affordability was a significant concern. | |
| 7.3 | Board then agreed the use of the August CPI rate of 0.2%. | |
| 7.4 | Board then discussed what increase level should be used for the upcoming tenant consultation. RP noted that the views given by Board members in advance of the meeting showed CPI + 1% to be the preferred option. | |
| 7.5 | TH noted that the Business Plan was based on CPI + 1%, so it made sense to stick with that rate. PI agreed with this approach, noting that it was also what the Association had indicated to tenants in terms of future rent increases. JC agreed that the paper was very clear on the balance achieved by a CPI + 1% between affordability and being able to deliver the Association's improvement programmes. | |
| 7.6 | RP suggested that a lower increase may be possible and that perhaps that should be pursued. TH noted that a lower increase was possible without breaching bank covenants, but that this would still have an impact on the Business Plan. PI noted that a slightly higher rate meant more of a contingency available for dealing with unknown costs. | |
| 7.7 | Board then agreed to consult with tenants on a rent increase of 1.2% (August CPI + 1%). The consultation should emphasise that this is a lower increase than in previous years, and that the Association recognised the impact of COVID-19 on future rent affordability for tenants. | |
| 7.8 | BW advised that the Tenant Service Improvement Group had not been involved as early as usual in the rent setting process this year. BW apologised for this confirming this was an error. | |
| 7.9 | <p>Board then approved the following:</p> <ul style="list-style-type: none"> • For retirement housing tenants, setting service charges for 2021/22 based on projected costs for the services provided, subject to consultation with tenants. • For leased properties and Temporary furnished Flats, an increase in rents in accordance with the lease terms of RPI +1%, using the September RPI rate. • For lock ups, an increase in rents by the same percentage applied to general needs rents. • For factored owners, an increase in the factoring fee by the same percentage applied to general needs rents. | |
| 8. | Revised 2020/21 Delivery Plan | |
| 8.1 | LC answered questions that had been received from Board members in advance of the meeting. LC advised that she had been in contact with members of the Service Improvement Panel during lockdown and was attempting to support them to try a virtual meeting. There was not much of an appetite for this but LC would continue to encourage this. PI | |

| Item No. | Issue | Action by |
|-----------|--|-----------|
| 8.2 | <p>suggested that a conference call could be used if online options were not available.</p> <p>LC confirmed that there were a number of actions on the Delivery Plan that referred to meetings being held to allow completion by March 2021. LC noted that these meetings may not be able to go ahead if COVID-19 restrictions continued, but that virtual and other methods would be explored to keep these actions on track.</p> | |
| 8.3 | <p>LC clarified plans for the next full Customer Survey, confirming that the survey itself would be carried out in 2021 and then used to report on the Annual Return on the Charter submitted in 2022. RP noted that this mean satisfaction information would be quite out of date for the next year. LC confirmed that this was the case, however the Scottish Housing Regulator does allow satisfaction information to be used for three annual returns so the Association would still be compliant with regulatory standards. LC also noted that carrying out the survey earlier while services were affected by COVID-19 may skew the results.</p> | |
| 8.4 | <p>Board then approved the changes to the Delivery Plan.</p> | |
| 9. | Coronavirus impact assessment and relaunch update | |
| 9.1 | <p>RP noted that this item presented the standard update on the impact of COVID-19 that was brought to each Board meeting.</p> | |
| 9.2 | <p>RP asked for an update on staff welfare. BW advised that there was an issue with staff absence, and in particular longer term mental health related absences. Some of this was related to COVID-19 but not all. Changes were being made to the absence procedure to ensure management intervened earlier in absence to provide staff with the support required.</p> | |
| 9.3 | <p>RP noted that there were 3 staff members self-isolating. BW confirmed that this was the case when the paper was written but that no staff members were self-isolating at the current time.</p> | |
| 9.4 | <p>RP noted that the main remaining difficulty was opening the Garrioch Road office. BW confirmed that the Association was classing Garrioch Road as a non-essential office and that this meant it could not yet open to customers, though small numbers of staff were using it as a base each day. BW advised that operational staff were now out and about in their patches visiting customers, which was a positive step forward.</p> | |
| 9.5 | <p>LF asked if staff were being offered the chance to work from the office if this helped their wellbeing or working practices. BW confirmed that this had been offered out to all staff and that currently 3 staff members were working from the office regularly, due to issues relating to wellbeing or DSE requirements.</p> | |
| 9.6 | <p>PI asked if the recent evictions had commenced before the COVID-19</p> | |

| Item No. | Issue | Action by |
|------------|--|-----------|
| | lockdown. JS confirmed that this was the case. | |
| 9.7 | Board noted the report. | |
| 9.8 | JL left meeting at this point. | |
| 10. | Governance development 2020/2021 | |
| 10.1 | RP introduced this item explaining that two reviews were being proposed. The first was specific to Maryhill Housing and would cover the annual Board appraisals process but also a review of the skills on the Board, any development needs and succession planning. The second was a joint commission with a number of other housing associations and would look at governance compliance more generally. | |
| 10.2 | A comment received in advance suggested that the first review would be a good opportunity to assess how the Association is managing the balance between meeting the Scottish Housing Regulator's requirements and making Board membership attractive to tenants who do not necessarily have relevant professional experience. BW confirmed that while this was not originally included in the brief it would be added. | BW |
| 10.3 | RP suggested that a panel of Board members should be involved in selecting the winning tender. It was agreed that PI, CM, IM and LF would form this panel. | |
| 10.4 | RP noted that the second review was a good opportunity to find out from other housing associations how they have handled potential Code of Conduct investigations. BW confirmed that this would be added to the brief. | BW |
| 10.5 | LF noted that it was positive to see a range of housing associations ready to work collaboratively to review and improve their approaches. | |
| 10.6 | Board then approved the proposed Maryhill Board Development Brief and the proposed brief for the Collaborative Governance Project for tendering. | |
| 11. | CEO report | |
| 11.1 | <i>Removed as commercially sensitive.</i> | |
| 11.2 | Board then approved the re-procurement of insurance cover being | |

| Item No. | Issue | Action by |
|------------|--|-----------|
| 11.3 | postponed until the ongoing issues with the render on the multi storeys are resolved. Board also approved the membership application. | |
| 11.4 | PI asked for clarification on Glasgow City Council no longer covering 50% of works costs in relation to property purchases. BW confirmed that this was indeed the case, that after saying that they would cover 50% this had now been withdrawn. | |
| 11.5 | Board members advised that the hyperlinks in the CEO Report did not work from BoardPacks. BW agreed to provide these links via email. | BW |
| 11.6 | TH asked why the last 3 notifiable events to the Scottish Housing Regulator had not yet been closed. BW advised that the Regulator was awaiting the report and minutes from item 12 on the agenda, and that these should be closed once these were provided. | |
| 11.7 | TH asked about the temporary changes being made to the structure of the housing management service, noting that there had been issues with performance prior to COVID-19 too. TH asked if staff absences were also a concern within the team. JS confirmed that absence had had an impact. Splitting the team to create a temporary focus on different areas was the best way forward to tackle arrears, to let the backlog of empty properties, and to address anti-social behaviour. JS advised that officers would be able to focus more on their specific area of work and that targets would be set for each specialist team. | |
| 11.8 | BW and JS left the meeting at this point. | |
| 12. | Board Member resignation review | |
| 12.1 | Board members considered the report from a review of the reasons for recent Board member resignations. A number of improvement actions were agreed that would be added to the Governance Effectiveness Plan. | |
| 12.2 | A separate confidential minute of the discussion was recorded and would be circulated to Board members via email. | LC |