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# Board of Management

Wednesday, 21st August 2024 9:30 am

Russell Square   |   Board of Management

## Attendees

#### Attended - Board

#### Hazel Farquhar (HF), Cheryl Glen (CG), Fred Jack (FJ), Ian McDonald (IMCD), Linda McDonald (LMCD), Sheena Welsh (SW) and Jimmy Black (JB) in the Chair

#### Attended - Staff

#### Gail Robertson (GR), Chief Executive Officer, Linlay Anderson (LA), Director of Housing Services, Arlene Grant (AG), Director of Finance & Corporate Services, Kevin Lynch (KL), Director of Asset Management, Grant Miller (GM), Finance Manager and Nicola McIntosh (NMC) Corporate Services Officer.

## 1.0 Update on the Review of the SHR Regulatory Standards

Purpose - For Noting

#### Minute by Nicola McIntosh

GR presented a short update on the Review of the SHR Regulatory Standards.

## 2.0 Apologies, Conflict of Interests & Notifiable Events

Purpose - For Noting

#### Minute by Nicola McIntosh

Meeting commenced at 9.50am

Apologies received from Craig Irvine and Isobel McGarrol.

There were no conflicts of interest or notifiable events to report.

## 3.0 Minutes of Board Meeting 5th June 2024

Purpose - For Approval

#### Minute by Nicola McIntosh

Minutes of the meeting were approved as a correct record.

Matters arising from the minute:

Asbestos reporting is updated but still not 100% complete. This will be covered in today's meetings.

[REDACTED – CONFIDENTIAL INFORMATION]

Annual Assurance short term working group, a date is required, this is sitting under AOB today.

Board Appraisals is sitting under AOB.

AGM Arrangements are complete.

Asset Management Training - no update on this.

## 4.0 Minutes of the Service Delivery Sub Committee 15th May 2024

Purpose - For Approval

#### Minute by Nicola McIntosh

Minutes were approved as a correct record, subject to replies being removed.

## 5.0 Minutes of the Finance, Audit & Risk Sub Committee 22nd May 2024

Purpose - For Approval

#### Minute by Nicola McIntosh

Minutes were approved as a correct record.

Requirement that the FAR Committee meets with the external and internal auditor. CT are attending the meeting today so staff will step out and allow board members to speak with them.

## 6.0 Draft Letter of Representation

Purpose - For Decision

#### Minute by Nicola McIntosh

Members noted and approve the Draft Letter of Representation.

## 7.0 Draft Annual Accounts for Angus Housing Association 2023/2024

Purpose - For Approval

#### Minute by Nicola McIntosh

Board members met with Stuart without staff present for a private discussion. No issues were raised.

Members note and approved the Draft Annual Accounts.

## 8.0 Management Letter and Audit Findings

Purpose - For Decision

#### Minute by Nicola McIntosh

Stuart from CT attended the meeting to present the Management Letter and Audit Findings, explaining it was a clean audit, figures are true and fair and there are no material misstatements.

IMcD asked about AHA as a "going concern". Stuart advised on page 6, looking at the future they have to be satisfied AHA is a going concern. They do this by looking at budgets, the 5 year financial forecast, looking at peers to see if we are similar. Stuart advised with the audit work carried out CT are happy there are no concerns and sign off the assumptions within the accounts at 31st March 2024.

Stuart moved on to the focus on the governance of the Association explaining that he understands social landlords are highly regulated by the SHR. CT looked at minutes, internal audit reports, risk register and again check against other associations and what they have in place. CT are happy that the governance framework is operating effectively, with no recommendations required.

Stuart advised they looked at the recoverability of rent and tenant arrears, which is the debtors figure on the balance sheet. They test the recoverability of these to be sure they are recoverable and there are no further bad debts to be provided for. CT are satisfied they are recoverable.

Looking at the housing stock, which is the key asset on the balance sheet, they sample test additions and disposals to ensure it has been accounted for adequately. Stuart found no concerns or terms of impairments within the stock.

Next, looking at income, with the key income being tenants rents. CT test the systems and controls on the collection of rents and how it flows through the association. Stuart is happy that the figure for income is not materially misstated.

CT look at fraud and management override. Sample testing around expenditure and payroll completed and no issues arising from testing.

With regard to the write off of the Homestake investment, AHA were carrying £216k investment and it was netted off against the grant from the start. Stuart explained it really just takes it back to the original position and tidies it up by writing it off.

Stuart explained the final point was the capitalisation policy wasn't originally disclosed in the accounts, this is the level at which you capitalise other fixed assets and an agreement was made to increase to £2,000.

IMCD asked is £2,000 a rule of thumb, or is this too low. Stuart advised that this is a standard figure.

Stuart confirmed that no control weaknesses arose from the audit testing.

Members noted and approved the Management Letter and Audit Findings, noting the factoring works discussed.

## 9.0 Health & Safety Report

Purpose - For Noting

#### Minute by Nicola McIntosh

GR presented the Health & Safety Report for any questions, members noted that this is a standard report. GR explained that there are a couple of indicators that have not been updated, due to the reporting dates not fitting in with meeting dates. These will be reported at the Service Delivery Sub Committee in September.

Members noted that the Asbestos Register is almost complete and that GR hopes by the next FAR and Board meetings the risk level on these will be reduced.

SS asked about the use of tiny tags and if we are happy with how these are working. KL explained that we are looking into several alternatives. The tiny tags are giving adequate information but there are alternatives that can provide live information.

JB asked if there are any arrangements made with GDPR so the tenants don't feel spied on. LA and GR confirmed that the information comes from the tenants.

Members noted and approved the report.

## 10.0 Secretary's Report on Rule 62-67

Purpose - For Approval

#### Minute by Nicola McIntosh

GR explained that this is a requirement of the rules of the association.

Members noted and approved the contents of the report.

## 11.0 Nine Year Rule Report

Purpose - For Approval

#### Minute by Nicola McIntosh

GR explained that this is also a requirement of the rules, explaining that this is to ensure members of over 9 years are still competent in their role on the board.

JB explained that he had good discussions with both HF & FJ and felt it was very worthwhile.

All other board appraisals are required to be completed by the end of October, prior to the submission of the annual assurance statement.

Members noted and approved the contents of the report.

## 12.0 CEO Appraisal Feedback Report

Purpose - For Noting

#### Minute by Nicola McIntosh

JB provided a verbal update on the CEO's appraisal, advising they covered a range of topics and explained that there was nothing of concern. Both JB and CI were very confident in our CEO.

Members noted and approved the contents of the report.

## 13.0 Draft Corporate Scorecard

Purpose - For Decision

#### Minute by Nicola McIntosh

GR explained that PG had put in a huge amount of work in to the Draft Corporate Scorecard, providing a raft of information for board members. This allows board members to advise what information they were interested in and if there is anything they found not so useful.

IMCD explained that he feels this information is very useful, it is likely the board would like more information rather than less, explaining the RAG rating is really helpful for giving board members the focus on critical issues.

SS feels the benchmarking is really helpful and gives the board a snapshot of the current position.

JB would like this presented to the Board annually, however it will be covered at sub-committee meetings throughout the year.

SS suggested adding a brief exceptions report for the annual board version.

Members noted and approved the contents of the report.

## 14.0 Annual Procurement Report

Purpose - For Approval

#### Minute by Nicola McIntosh

As Scott Traynor was unable to attend the meeting, GR presented the Annual Procurement Report explaining that this is submitted yearly to the Scottish Government. The Procurement Landscape report was produced to take stock of where we are and where there is still work to be done. Invoice paying is much better than it was 2 years ago.  
GR advised that the non-compliant expenditure is still a concern. This occurs when contractors are being used that are not on our framework when contractors that are on the framework are unable to accept the work. GR explained that as long as we are providing evidence that this is the case then we have reason to use the contractors not on the framework. The maintenance department is aware of this and KL is monitoring.

GR advised that we are in the process of putting a tender together for the new framework for reactive repairs which will be in place for 1st June 2025, explaining that there will be sufficient trades to cover without having to do what we are doing currently. A programme aimed encouraging local contractors to join the framework is already underway and will continue in the approach to the tender being published.

KL explained that the current framework is difficult to add anyone too, as it involves carrying out a full tender exercise which can take weeks and months.

IMCD asked in terms of the table summarising AHA expenditure and supply chain, he feels it is very positive, paying all of our suppliers electronically, however it then says the invoices we are paying within 30 days are 97%, which is also good. What it is then saying is we only managed to pay 78% of the contractors within 30 days. GM confirmed that this is due to one or two contractors submitting their invoices months behind which skews the figures.

Members would like a footnote to be added to explain this as it has also been on a previous report.

GR explained that there will be a requirement on the new reactive repairs framework for all contractors to use the contractor portal to submit their invoices which should speed up processing. Finance and Asset Management staff will also be aiming to identify works orders that have been completed but not invoiced so contractors can be reminded to submit invoices for payment promptly.  
  
Members noted and approved the contents of the report.

## 15.0 Quarterly Complaints Handling Report

Purpose - For Information

#### Minute by Nicola McIntosh

Members noted and approved the contents of the report.

## 16.0 CEO Workplan

Purpose - For Noting

#### Minute by Nicola McIntosh

GR presented the CEO Workplan for noting and any questions.

Members noted that the tender phase has been completed for legal services and three have been returned. GR and AG to score them in the next week or so with a view for a new contract to begin 1st January 2025.

Members noted and approved the contents of the report.

## 17.0 Business Plan

Purpose - For Approval

#### Minute by Nicola McIntosh

GR presented the new Business Model, explaining a huge amount of work was put in to this, particularly by GM.

Members noted that this is a static business planning tool with dynamic documents. GR would like Allia to complete the verification of the financial healthcheck and confirm that they are happy with it or explain why not.

In future years, GR will set up a small group of Board and Finance staff each year who will scenario test assumptions for the business plan using the draft budget approved by the Board in Feb each year. The detail is within the Business Plan document.

Members noted that the new business plan model allows us to switch off and on projects including new build development to see what impact it has to our income and expenditure.

IMCD feels the positive thing is we have access to the business plan model and can play around with it using the sensitivity analysis.

JB thinks this is fantastic and better than anything we have ever had before and feels it will help the board do their jobs.

Members noted and approved the contents of the report.

## 18.0 Entitlements, Payments and Benefits Policy Review

Purpose - For Approval

#### Minute by Nicola McIntosh

GR presented the EPB Policy, advising that this is part of a suite of policies, and this was due for review.

This along with the code of conduct explains that there are a set of rules that you have to adhere to both as staff and board members and you cannot get any benefits, covering hospitality and gifts.

SS left the meeting at 11.20am.

Members noted and approved the contents of the report.

## 19.0 Draft Guide for New Board Members

Purpose - For Approval

#### Minute by Nicola McIntosh

GR presented the Draft Guide for New Board Members advising that this is an adaptation of the SFHA guidance to suit AHA's requirements.

Members noted and approved the contents of the report.

## 20.0 AOB

Purpose - For Information

#### Minute by Nicola McIntosh

Lead Tenancies

[REDACTED – PERSONAL DATA AND CONFIDENTIAL INFORMATION]

Board Appraisals

JB would like every member of the board to fill in their Self Assessment Form prior to meeting with him. GR and JB will work on a new draft of the form, following feedback on the currenty system. For the moment however members are asked to complete the existing form and JB and CI can meet with board members for an informal chat.

GR to draft new form with JB.

AAS Short Term Working Group

GR explained a short term working group is required for the review of the evidence base for the Annual Assurance Statement and would like to arrange a meeting on 11th September. GR advised that the internal auditors would be conducting an audit of the AAS and our processes in September.

## 21.0 New Office Options Appraisal

Purpose - For Decision

#### Minute by Nicola McIntosh

SB left the meeting at 11.24am.

CONFIDENTIAL ITEM

[REDACTED – CONFIDENTIAL INFORMATION]

GR wanted to note that this was SW's last Board meeting prior to stepping down at the AGM and thanked her for her long and loyal service to AHA.

Board Away Day

GR confirmed there will be an external speaker on Risk Management from Share in attendance. Date to be agreed around November/December time.

Eviction approval

[REDACTED – PERSONAL DATA]

Meeting closed at 12.30pm

## 22.0 Date of Next Meeting

Purpose - For Information

#### Minute by Nicola McIntosh

17th October 2024 at 9.30am.