

## BOARD MINUTES

**Date of Meeting: 9 December 2019**

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**Minute/information removed or edited due to information relating to personal/confidential items or being commercially sensitive**

## Board Minutes

Name of Meeting	Board	Date of Meeting	9 December 2019
Venue of Meeting	CVG Office, 50 Scott Street, Motherwell, ML1 1PN	Time of Meeting	5.15pm

### 1. Welcome and Apologies

A Murray (Chair), A Baird, C Hendry, A McFarlane, C Boyd, L Wilson, E Walker, M Gilfillan, S Watson, I Saunders

#### In Attendance

L Wassell (Chief Executive), J Turnbull (Investment Director), C Garmory (Finance and Corporate Services Director), F Smith (Customer Services Director), L Hughes (minutes)

#### Apologies

I McGowan, K Luscombe

The Chair introduced The Board to the new format of meeting agenda, advising The Board it would be reviewed at post meeting check out.

### 2. Declaration of Interest

2.1 No declarations of interest were registered.

### 3. Minutes of Previous Meeting

3.1 The Chair introduced the new style of Board Minutes, The Board debated the balance of detail required in the minutes and asked for assurance that all discussion, views and points of scrutiny from meetings would be captured in the minutes.

3.2 The Board approved the minutes of both meetings held on Monday 16 September 2019.

### 4. Governance

#### 4.1 Board Action Log – Non Confidential

4.1.1 L Wassell introduced The Board to action log, advising all actions are now closed.

4.1.2 The Board approved the Action Log

#### 4.2 Governance Report – Non-Confidential

- 4.2.1 **Annual Assurance Statement** - C Garmory updated The Board on the 2019 Assurance Statement that was signed by our Chair and submitted to Scottish Housing Regulator. Board confirmed their assurance that there had been no changes since the Board Meeting on 16 September 2019. C Garmory advised The Board that a copy of all RSL and Local Authority Assurance Statements could be viewed on the Scottish Housing Regulator's website.
- 4.2.1.1 In response to questions, The Board were advised that the seven Housing Associations and three Councils the SHR have chosen to visit in December and January were selected to achieve a geographical mix, range of sizes of landlords and different types of Assurance Statement. A copy of SHR's report on the findings will be available in March and uploaded to the BoardPack Knowledge Library.
- 4.2.1.2 **The Board were content that no changes were required to be made in respect of the Assurance Statement and approved the update.**
- 4.2.2 **Notifiable events** - C Garmory formally advised The Board of the resignation of Board Member K Luscombe as Chair of Finance Committee for personal reasons. This is a notifiable event that will be submitted to SHR, due to the significance of the role and responsibilities held. **The Board noted the notifiable event and that no other notifiable events were outstanding.**
- 4.2.3 **Governance Excellence** - C Garmory advised The Board the proposed date for the Board Workshop would be confirmed as soon as possible as either 22<sup>nd</sup> or 23<sup>rd</sup> January 2020. **The Board noted the content of the proposed Board Workshop and agreed to commit to a date in January 2020.**
- 4.2.4 **Disposals** – J Turnbull updated the Board of the land at Ferniegair that was purchased for new build for CVHA as well as housing for sale for CVPS. **The Board approved the disposal in respect of the change to the titles.**
- 4.2.4.1 F Smith introduced an urgent tabled paper to Board, as agreed with the Chair, in relation to the sale of mortgage to rent property. **The Board approved the sale of the property.**
- 4.2.5 **Payment and Benefits** - The Board were advised there was nothing to report.
- 4.2.6 **Share Membership** - C Garmory asked the board to approve 9 share memberships. It was noted that the majority of these were from new tenancies from new build properties. The Board acknowledge the work of the Tenancy Sustainment Team who are actively involved in encouraging our new tenants to become Share Members. **The Board approved the new share memberships and delegated authority to the Chair to use the seal for the purposes of the Share Certificate.**

## 5. Strategy Development – Non-Confidential

- 5.1.1 L Wassell introduced the Corporate Strategy update to The Board and advised it is on track for sign off in March 2020 with publication in April 2020.
- 5.1.2 L Wassell advised that Strategy Day discussions on staffing resources had been followed up, and staff had been recently advised of a number of new roles that are being funded and recruited to early 2020.
- 5.1.3 The Board agreed the presentation from North Lanarkshire Council was informative, and interesting and requested a similar opportunity to hear from South Lanarkshire Council. L Wassell advised she would make contact with South Lanarkshire Council

and invite them to attend a similar session, which could potentially be held immediately before the Board Meeting on 16 March 2020.

- 5.1.4 **The Board agreed to delegate authority to the Finance Committee in respect of finalising the budget for 2020/21 for staff resource. The Board also approved the updated timeline and actions to achieve a launch of the new strategy in April 2020.**

## **6. Performance, Procurement & Risk – Non-Confidential**

### **6.1 Quarter 2 Performance Report**

- 6.1.1 C Garmory introduced the Performance Report for Quarter 2, referring to the action plan to address areas of performance not on target. After debate with Board Members it was agreed moving forward the action plan would include the performance from the previous quarter and give more context on the results for the current quarter. The Board also requested mitigating factors where applicable to be included in the commentary section of results.

- 6.1.2 C Garmory updated The Board on the Data Dictionary that has been produced in line with guidance from the Scottish Housing Regulator and the Scottish Housing Network, and includes all systems and processes in use at CVHA.

- 6.1.3 The Board raised questions with F Smith on the level of tenancy refusals and the impact this has on homelessness targets and letting days. F Smith advised The Board that, in some instances, homeless waiting lists are being exhausted, reducing allocations to homeless. After lengthy discussion by The Board, it was agreed F Smith would provide an update on allocations and refusals, including details eligibility to access Common Housing Registers in other areas, e.g. Glasgow, for the next Board Meeting in March.

### **6.1.4 The Board approved Strategic Performance Report**

### **6.2 Strategic Risk Register**

- 6.2.1 C Garmory introduced the Strategic Risk Register advising The Board of two new risks that were added as a result of the risk discussion at the Audit & Risk Committee on 7 November 2019. C Garmory also notified The Board that the A&R Committee had requested a revision to the format of the Risk Register and options will be presented to them in February 2020.

- 6.2.2 The Board challenged C Garmory, asking if Universal Credit and the impact had sufficient emphasis on the Register, C Garmory advised this was covered in SR 4, Failure to Address Affordability within the Strategic Risk Register and more detailed risks in respect of this are included in the operational risk registers. The Board also asked if the potential changes to housing grant should be included and it was highlighted that this was covered as part of SR 10, Failure to have effective controls in place to minimise the impact of economic/political factors, impacting on group finances.

- 6.2.3 The Board also considered the risk radar items and agreed these should remain as radar items.

### **6.2.4 The Board approved the Strategic Risk Register.**

## **6.3 Annual Return on the Charter (ARC) Audit 2018/19 Repairs and Maintenance - Confidential**

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

**6.3.1 The Board approved the contents of the paper and recommendations in terms of re-statement to the Scottish Housing Regulator.**

#### **6.4 Term Maintenance Contract Tender - Investment**

6.4.1 J Turnbull introduced this report and advised the European Single Procurement Document (ESPD) was issued through Public Contracts Scotland (PSC) had 28 noted interests, with a return date of 11 December 2019. When received the ESPD will be assessed and the quality questions will be marked and reported to the Short Life Working Group before 24 December 2019. Following this, the tender document would be uploaded to the PCS portal no later the 24 December to allow four weeks for pricing to be submitted by 31 January. Interviews would follow in early February for the top three, with a preferred supplier identified by Friday 21 February. J Turnbull advised The Board there would also be 2 reserve suppliers identified on a framework. The new contract would commence in July 2020.

6.4.2 J Turnbull confirmed that the selection process was based on balancing quality and price with the following split:-

- 30% Price
- 60% Quality
- 10% Interview

This division in assessing potential new suppliers reflects the importance of the service to our customers as well as ensuring that we get the most economically advantageous supplier. The prices received from this tender are fixed for a 2 year period with a clear protocol as to how prices can be increased going forward.

**6.4.3 The Board approved the progress made on the procurement of the supplier for the Term Maintenance contract by July 2020.**

#### **6.5 New Supply Report**

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

**6.5.1 The Board approved the content of this report.**

#### **6.6 Contract Extensions for Landscape Maintenance and Electrical Inspection**

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#### **6.7 Appointment of External Auditors**

6.7.1 C Garmory updated the Board on the process for the tender for External Auditors. The Audit and Risk Committee met on the 2<sup>nd</sup> December and following the tender process were recommending the approval of External Auditors RSM to the Board for a period of 3 years.

**6.7.2 The Board approved the appointment of RSM as External Auditor for a 3 year period commencing March 2020.**

### **7. Strategic Finance**

## 7.1 **Rental Strategy and Affordability – Non-Confidential**

- 7.1.1 F Smith introduced this paper, which was debated at length by The Board, F Smith advised The Board the 5 year rental strategy of 3% per annum ends in April 2021.
- 7.1.2 The Board underlined that CVHA should ensure all our tenants are receiving Value for Money in relation to the rent that they pay. With this in mind, The Board were keen that we communicate effectively with tenants the purpose of the 2020/21 rent increase, outlining where their rent is spent in terms of the business plan.
- 7.1.3 The Board asked if there is an option to differentiate rent in relation to age of property or where property is located. F Smith advised The Board that some Housing Associations operate a rental system where charges differ based on size and location of properties. This tends to increase complexity and administration. CVHA currently operate a harmonised approach to rents and a relatively simple rent structure and have no immediate plans to change this.
- 7.1.4 The Board requested that the 30 year business plan following the 2020/21 rent increase at 3% is modelled with a range of assumptions to assess potential longer term impacts of lower increases. This revised Business Plan is due to be presented to the Finance Committee in February 2020 and this will be developed with lower rent increases that ensure covenant compliant and assurance of business sustainability.
- 7.1.5 The Board requested that CVHA look at the possibility of a more tailored communication plan for 2020 onwards, with focus on older properties where cyclical work is required and updating tenants, where possible, what improvements are being made to these properties.
- 7.1.6 The Board asked for consideration of the impact of Universal Credit on rent increases and how this may impact our tenants and ensure that our tenants are advised on support services available to them, in terms of Income Maximisation Officers, Tenancy Sustainment and Repairs Team.
- 7.1.7 **The Board approved a rent increase of 3% for 2020/21 and to write to all tenants, giving 28 days' notice of the proposed increase.**

## 7.2 **CVPS Lease Agreements – Confidential**

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

## 8. **Group parent monitoring minutes**

### 8.1 CVPS Board Minutes

**The Board noted the minutes of CVPS Board Meeting on 5 September 2019.**

### 8.2 Innov8 Board Minutes

**The Board noted the minutes of Innov8 Board on 29 August 2019**

## 9. **Committee Minutes**

### 9.1 Audit & Risk Committee Minutes

**The Board noted the minutes of the Audit & Risk Committee Minutes on 7 November 2019 and the recommendations of the recent factoring audit being addressed by CVPS Board and monitored by Committee.**

9.2 Health & Safety Board

**The Board noted the minutes of the Health & Safety Board on 24 October 2019.**

9.3 Finance Committee

**The Board noted the minutes of the Finance Committee on 29 August 2019 and 14 November 2019.**

**10. Any Other Business**

10.1 The Chair formally noted his thanks to K Luscombe for his time, commitment and dedication as a Board Member and Chair of Finance Committee.

10.2 The Chair also sought final confirmation if there was anything from the Board papers or the discussion from the meeting that The Executive or Board would consider a notifiable event or would change the Assurance Statement. The Executive confirmed there was nothing to report and Board agreed this.

**11. Date of Next Meeting**

11.1 The date of the next meeting is Monday 16 March 2020 at 5.15pm.

The Board remained for their post meeting check-out.