

Approved Minute

Remote Zoom Board of Management Meeting held on 13th August 2020 at 6.30pm

Due to the Coronavirus public health crisis and government advice the Board meeting was conducted remotely using Zoom.

The following members participated remotely:

Mark Griffiths (Chair)	Margaret Vass	Cordelia Guidery	Anne Law
Fiona Boath	Martin Earl	Alison Smith	Lorna Cameron
Theresa Elliot	Susan Macmillan	Malcolm Begg	

Staff & others in attendance: Donna Birrell (Chief Executive Officer – CEO)
 Fiona Maguire (Asset & Development Manager – ADM)
 Michelle Johnson (Customer Service Advisor – CSA and Minute Taker)
 Fionn Stevenson Observer

Item		Action
1.	<p>Apologies and Conduct of Meeting</p> <p>The Chair advised Members that the meeting would be recorded for the purposes of minute taking.</p> <p>The Chair thanked all for attending the meeting and extended the Board’s welcome to Lorna Cameron. The Chair also welcomed Fionn Stevenson who was joining the meeting in the capacity of Observer.</p> <p>The Chair also advised that Alison Smith had chosen to stand down at the AGM and was not seeking re-election and this was therefore to be her last Board meeting. The Chair, on behalf of the Board and Senior Staff, thanked Alison for her very valuable contribution to the governance of the organisation.</p> <p>Apologies were noted from Linda Anderson.</p>	
2.	<p>Declarations of Interest</p> <p>Interest was declared by CEO for Agenda Item 9.4 no vii.</p>	

	Interest was declared by Fionn Stevenson for Agenda Item 12.6.	
3.	<p>Health and Safety</p> <p>No specific Health & Safety Incidents.</p>	
4.	<p>Group Minutes Board</p> <p>4.1 Minute of Board Meeting – 18th June 2020</p> <p>A member commented on the minute at Item 11: Group Strategy Day that the reference was specifically to the Asset Management Strategy rather than asset management per se. It was agreed that the minute would be amended to reflect the above.</p> <p>Subject to the above amendment the Minute was approved on a motion by Alison Smith and seconded by Malcolm Begg.</p> <p>4.2 Confidential Minute of Board of Management Meeting – 18th June 2020</p> <p>A member commented at Item 9.2 Strategy for Dealing with SHQS and EESSH Failures. The member wished the Board to note that our Asset Management Strategy will need to be updated in light of the recent firming up of the EESSH2 requirements and the results from our forthcoming Energy Survey. It was agreed that the minute would be amended to reflect the above.</p> <p>Subject to the above amendment the Confidential Minute was approved on a motion by Alison Smith and seconded by Malcolm Begg.</p> <p>Audit & Risk Committee</p> <p>4.3 Minute of Audit and Risk Committee 30th July Noted</p> <p>4.4 Confidential Minute of Audit and Risk Committee 30th July Noted</p> <p>Subsidiary</p> <p>4.5 Minute of Venachar Board Meeting 18th June 2020 Noted</p> <p>4.6 Confidential Minute of Venachar Board Meeting 18th June 2020 Noted</p> <p>Working Groups</p> <p>Customer Engagement, Participation and Scrutiny None</p> <p>Investment None</p>	

5.	<p>Matters Arising Schedule</p> <p>The Chair apologised for the delay in sending out Member’s Personal Development Plans and would do so by the end of next week.</p> <p>A member raised concerns around using Zoom, against the advice of the DPO. The Chair of Audit and Risk suggested that the risk should be added to the Risk Register and state that the risks arising from moving from MS Teams to Zoom is considered to be very low given the mitigating controls in place.</p> <p>The Chair agreed commenting that risk is very low, as the Association are using the latest licensed version with end to end encryption etc. The Zoom platform had been easier for members to use and on balance had been considered a better solution as far as usability and risk was concerned. The CEO agreed to update the Risk Register accordingly.</p> <p>The Matters Arising Schedule was approved.</p>	CEO
6.	<p>Record of Electronic Approvals</p> <p>None</p>	
7	<p>Group Key Risks</p> <p>The Board noted the key changes with respect to the Risk Register since the last review. The Board agreed the following:</p> <ul style="list-style-type: none"> • The Board considered the Balmaha development and accepted that it is exposed to an element of risk given front funding of this development until such time as the HAG Tender is approved. The potential for increased SHR regulation/engagement would be added to the Risk Register with respect to Risk 4 regarding Balmaha. • the risk associated with Zoom and mitigating controls will be added to the Risk Register as outlined above at Risk 11. • it was noted that a review of the Nominations Protocol Agreement had been requested with reference to Risk 21. • a member suggested that the key recommendations section on the cover paper should highlight the residual risk score using the same colour coding as on the Risk Register itself for ease of reference. A column for this will be added to future cover reports. <p>The Group Key Risk Register was approved.</p>	CEO
8.	<p>Strategy:</p> <p>No report.</p>	
9.	<p>Performance & Policy</p> <p>Development Programme: Exception Reports</p> <p>9.1 Kippen New Build: A member had queried whether there had been lessons learned from the State Aid test. Another member requested clarification on the State Aid issue and sought assurance that reduced rent levels were not a departure from the Association’s Rent Setting Policy.</p>	

The ADM advised that this was the first time that Scottish Government had shared the calculation for assessing State Aid. Now that we know their assessment method, we can run our own State Aid Calculation prior to the submission of any future tender applications. We did this on the Balmaha project submission and were able to prove that it passed the State Aid Test.

The ADM continued by explaining that State Aid limits the amount of Government subsidy relative to the Association's return on investment. The calculation tool which the Government use showed that the Association's return on investment i.e. rental income vs private finance contribution, meant that the Association would be making too much income from the Government grant subsidy, which is against the State Aid laws.

The Government proposed that the Association increased their private finance contribution however this would involve too great a level of investment from the Association and we were reluctant to do this as there would be a risk that the Government then expect a similar level of private finance contribution in future schemes. Although the business plan was worked out on the higher private finance level in this project, if the private finance on all projects was required to be at that level, a problem would arise.

We therefore sought to find another solution to increase the maximum grant achievable through the state aid calculator without increasing the private finance to the suggested level. The outcome was that by decreasing the average rents and increasing the private finance and showing the cost of the capitalised interest in the tender application as an additional cost to the Association, the figures stacked up for both RSHA and the Government.

Rent levels are often tweaked during the construction phase to reflect the final design, after the point of the tender submission. For example, it may be that once the landscaping scheme is fully agreed, some adjustment is required to increase landscaping service charge points which would then increase or decrease the rents marginally and those used in the tender application would be superseded.

The rents used in the tender application were where they needed to be to achieve tender approval as agreed with the Finance and Corporate Services Manager. The rents the tenants will ultimately pay will be in line with RSHA's rental policy and this will be reflected in the HAG Completion Submission to the Scottish Government.

The Board noted the explanation and **approved** the recommendations in the report.

9.2 Claiash Farm, Callander New Build: This report was **noted**.

9.3 Balmaha, New Build: This report was **noted**.

	<p>9.4 The following Policies were recommended to the Board for adoption by Audit & Risk Committee:</p> <ul style="list-style-type: none"> i) Treasury Management Policy ii) Investment Strategy iii) Borrowing Strategy iv) Financial Regulations v) Entitlements, Payments & Benefits Policy vi) Review of Code of Conduct and Breach Protocol vii) Management, Appraisal, Support and Remuneration of the Senior Officer viii) Information to Tenants and Tenancy Agreements ix) Furnished Premises <p>The Board approved all the above Policies.</p> <p>The following draft Policy was presented to the Board for approval</p> <ul style="list-style-type: none"> x) Anti-Fraud and Bribery <p>The Board approved the above Policy.</p>	
10.	<p>Finance</p> <p>10.1 Confidential Quarter 1 Management Accounts: This item was confidential.</p> <p>10.2 Commercially Confidential Annual Financial Statements, Accounts for year to 31 March 2020 and Recommendation for Appointment of Auditor: This item was confidential.</p>	
11.	<p>Chief Executive’s Report (CEO)</p> <p>There was a discussion around the Scottish Government funding of Stage 3 adaptations. The ADM advised that there was a reduced allocation this year and to date the demand on the adaptations budget was reduced compared to last year. The ADM will promote Stage 3 adaptations through the newsletter and Housing Officers. This will hopefully create interest and a waiting list and an opportunity to take advantage of any slippage in the programme. The CEO highlighted that an underspend in 2020/21 could result in a further reduced allocation in 2021/22 and so every effort should be made to maximise spend.</p> <p>Costs will continue to be reported quarterly in line with quarterly performance reporting.</p> <p>A member requested an update with respect to the recent Board recruitment campaign. The Chair advised that this would be given at Agenda item 12.6.</p>	ADM

	<p>It was noted that RSHA had submitted a response to the SHR Consultation on Approach to Regulation During Covid 19. It was agreed that this response would be circulated to the Board for information.</p> <p>This report was noted.</p>	CEO
12.1	<p>Governance Ethical Conduct and Notifiable Events/Annual Assurance Status Notifiable Events</p> <p>The CEO advised that the SHR had been notified of the absence at SMT level within the organisation.</p> <p>A member raised concern around Venachar Landlord Registration conditions requiring a qualified member of staff and whether this absence presented any risk.</p> <p>The CEO advised that the absence did not affect our registration. However, agreed that there is a risk due to only one member of staff being qualified. The potential for training another member of staff to be considered.</p> <p>This report was noted.</p>	CEO
12.2.	<p>SGM/AGM: Arrangements for Virtual Meeting</p> <p>It was noted that SGM/AGM packs would be sent out by Monday 17th August. The Chair agreed to be present in the RSHA office on the day of the SGM/AGM to avoid any connection issues.</p> <p>This report was noted.</p>	
12.3	<p>Office Bearers' Decisions: Framework for Reactive Repairs – Joinery Contractors & Procurement Thresholds</p> <p>ADM has now appointed Total Reinstatement Services as a reactive maintenance contractor.</p> <p>This report was noted.</p>	
12.4	<p>Recommendations from Committee: The following reports were recommended to the Board for approval by the Audit and Risk Committee:</p> <ul style="list-style-type: none"> i) Annual Assurance Action Plans 2019: End of Year Report ii) Annual review of Committee Performance iii) Annual Review of Health & Safety iv) Annual Review and Update of the Code of Conduct v) Annual Review of effectiveness and adoption of Schedule of Delegation 	

	<p>With respect to item ii) a member queried the methodology and approach taken to the annual review process. It was noted that this had been carried out by the DCEO/FCSM as the senior officer responsible for servicing the Audit and Risk Committee with the report and recommendations being presented to Audit and Risk. The member commented that in terms of best practice and good governance a 360⁰ approach would have been better. It was agreed that in future Board members would be invited to participate in this process in future.</p> <p>Subject to the above the Board approved the recommendations from Committee report and recommendations.</p>	
12.5	Review of RSHA Membership & Cancellations: The Board approved this report.	
12.6	<p>New Member Applications</p> <p><i>The Chair thanked Fionn Stevenson for observing the meeting and hoped she had found it to be helpful and informative. Fionn Stevenson left the meeting at this point at approximately 7.37pm.</i></p> <p>The report on the new member application was approved.</p> <p>The Chair advised that 2 applications had been received as a result of the recent Board recruitment campaign. Both applicants had been interviewed and the recommendation was that the application received from Fionn Stevenson should be taken forward.</p> <p>The Chair recommended that Fionn be nominated for election at the AGM and a place on the Board.</p> <p>A member queried the strategy for filling empty Board positions. A discussion was held around re-advertising and possible ‘head hunting’ after the AGM due to the Board vacancies and the skills gaps identified. Desirable candidates would be Finance or Legal professionals. It was also agreed that additional tenant representatives would strengthen the Board, and this had been highlighted in recent Rural Matters. It was agreed that recruitment to fill Board vacancies would be prioritised.</p>	
12.7	Standing Orders: Review of Temporary Addendum COVID-19: The Board approved this report.	
13.	Group Meeting Schedule: The Board noted this report.	
14.	Action Tracker: The Board approved this report.	
15.	<p>Attendance at Conference/Seminar or Networking Events: Board Member Feedback</p> <p>A member commented that they had attended recent webinars on subjects such as Digital Housing, Working from Home, De-Carbonisation and suggested the sharing of information. This will be forwarded to the CEO for onward circulation to Board members.</p>	LC/CEO
16.	Any Other Competent Business	

	<p>A member commented that the recent Chair's Statement had been appreciated and had been very helpful in understanding the context of some decisions.</p> <p>The meeting closed at 7.50pm.</p>	
17.	<p>Review/Reflections of Meeting: Please email your feedback to Mark Griffiths Chair.</p>	
18.	<p>Date of Next Meetings</p> <ul style="list-style-type: none"> • Group Briefing Session: Equality & Diversity TBC • SGM/AGM 17th September at 7pm • Group Training Session Thursday 8th October 5.30pm Health & Safety Awareness for Governing Body members • Board Thursday 8th October at 6.30pm 	