

MINUTES OF MEETING NO.642
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 31 MARCH 2020 AT 6.00 P.M. VIA ZOOM CONFERENCE

Andrew Burns, Marilyn Clewes, Ian Elrick, Margaret Glass, Sadie Gordon, David Horner, John McIntyre, Anne Ramsey, Bronwyn Wyper.

Shona Stephen (Chief Executive), Neil Manley (Director of Finance and Corporate Support), Rona Anderson (Director of Property, Enterprise and Regeneration), Fiona Smith (Executive Office Manager).

ACTION

1.0 Welcome and Apologies

The Chair had asked the Chief Executive to chair the meeting on her behalf. The Chief Executive welcomed everyone to Board Meeting 642.

Governance Arrangements as a result of COVID-19 pandemic.

Before continuing with the meeting Executive Office Manager clarified that the rules of the Association Rule 51 *allows meetings of the Board to take place in any way which permits those attending to hear and comment on the proceedings*. The Board noted that:

- a) They must meet at least 6 times a year (Rule 49) and the quorum for board meetings is 4 (Rule 48) not including co-optees (Rule 42.3).
- b) The key point being for a meeting to take place by teleconferencing is that everyone must be in communication at the time even though geographically apart.
- c) Inviting board members to confirm approval of a specific matter (for example by e mail) is not a valid equivalent of a matter being discussed at a meeting.
- d) A written resolution (this can be an e mail) signed by no fewer than $\frac{3}{4}$ of the Board members so currently 7 (Rule 55) will be valid as if it had been passed at a Board meeting.
- e) Urgency procedures (section 9 Governance Regulations) can be used between scheduled meetings.
- f) All decisions using d) or e) above must be reported to the following meeting of the Board and formally recorded in the minute.

The Board agreed a number of recommendations to temporarily amend the Governance Regulations and delegated authorities to provide appropriate arrangements to allow essential decisions to be made in the current situation.

Board members had been invited to submit questions in advance of this meeting and these have been recorded and responded to and circulated to all members. This information can be found in Appendix 1 of this minute. It was agreed that response to the governance questions raised was satisfactory and there were no further questions.

It was agreed to postpone the next stage of the QC Board Member recruitment process until further notice.

Shona

2.0 Declarations of Interest

There were no new Declarations of Interest.

3.0 Hamiltonhill Update - Not for publication at this time due to the commercial confidentiality.**4.0 Covid-19 Update**

4.1 The purpose of this report was for the Board to note and agree the current response and proposed measures that the Queens Cross Group has put in place to respond to the Co-vid 19 pandemic.

4.2 The UK and Scottish Governments have escalated the national response to the Coronavirus (COVID-19) pandemic and have introduced lockdown measures to limit the spread of the virus.

4.3 The Board noted that the economic implications of Co-vid 19 will affect the whole economy and the Group is no exception and also took time to discuss the Strategic Risks that have emerged as a result of Co-vid 19. The Board fully supported the actions taken by the Executive Team and noted that the Team is meeting daily to remain on top of the situation and closely monitoring service delivery, providing support to our staff on the frontline and revising the strategic risks and monitoring their impact. These discussions are being shared with staff to help them understand the operating environment and the implications for them. After discussion, the Board noted and agreed with the decisions made by the Executive Team with regard to alterations to service delivery in response to the Covid-19 pandemic, and set out in the report :

4.4 The Board was advised that since the report was written the UK Government's Job Retention Scheme had been introduced. This scheme is to provide support to businesses where staff are unable to work due to closure or a significant loss of service. The scheme can cover 80% of basic salary, plus employer's NI and statutory minimum pension contributions (subject to a salary cap of £2,500) of staff salaries for those who have been "furloughed". This is a term used to describe a temporary lay-off to avoid a redundancy situation.

The Board considered and discussed number of options including

- the payment of 80% of basic salary (with no cap) and full employer pension contributions (although for all pension schemes offered these exceed the 3% statutory minimum) although these elements will not be repaid to us via the CJRS grant
- whether to top up the 80% of salary to 100%, however members considered this option to be unfair to those employees remaining at work (homeworking and frontline) for 35 hours per week whilst furloughed employees would receive 100% of salary while not working. The Board thought it was important that the people remaining at work retain the differential as an incentive.

After careful discussion the Board;

- a) Agreed that the Association is not in a position to continue to pay employees their full salary if there is no work for them and that is not sustainable for the organisation.
- b) Agreed that there is a very real risk that our income will go down and our costs will go up as a result of the current situation
- c) Noted that currently this fund is being made available to businesses until the end of May and that this is a short-term solution to the situation affecting the UK economy and is subject to change in the future.
- d) Agreed that these are unprecedented times and the Association should act quickly to take advantage of this government assistance to protect jobs within the Association.

- e) Agreed the Association will pay 80% of basic salary (with no cap) and full employer pension contributions.
- f) Agreed not to top up the 80% of salary to 100%
- g) Agreed that staff who are affected will be spoken to directly to explain what is being offered and discuss the implications.
- h) Agreed that the aim is to try to protect jobs in the long-term and retain employees and by accessing the government funded scheme for employees who have no work the Association may be able to do that.

The Chief Executive wanted to take the opportunity to thank the Executive and Leadership Teams for their support during this time, particularly in getting their teams set up to work from home which has underpinned our ability to communicate, monitor and deliver services. Board Members were impressed by the way staff have continued to work from home and deliver frontline services. Those members who receive Wellbeing services expressed thanks for the invaluable support they have continued to receive. Recent newspaper coverage of poorly kept common areas in multi-storey flats other areas of the city was raised and the excellent job done by our caretakers in contrast noted.

5.0 2020/2021 Budget for approval

- 5.1 The Director of Finance and Corporate Support referred to the previous report on the COVID-19 pandemic and reiterated that the Association will not be in a position to assess the full financial impact for some months and for some areas of the business it will be well into 2020/21 or perhaps 2021/22 before this is fully understood. This would include for example rent arrears and voids, and the anticipated increase costs of delivering the Hamiltonhill project and loss of rental income as a result of properties being unavailable to let due to the delay in delivering the project. The main financial risks were set out in section 4 of the COVID -19 report at Item 4 on the agenda and already discussed. Everyone agreed that the impact will not just be felt in a single year but will run on for many years and will need to be factored into future year's budgets. Neil advised that the impact on voids was more severe than first set out in the report and did not account for furlough, and associated costs to the Association at the time the report was written.
- 5.2 The purpose of this Report was to present to the Board the final budget summary for the **2020/21** financial year together with the supporting 30-year financial plan. It is based on submissions from detailed budget meetings and updates the position presented to the board in the draft budget report at the January board. The key financial objective for the association is to maintain its financial viability whilst providing value for money services. The model demonstrates viability thorough ensuring the organisation can meet all its service and investment obligations whilst servicing and repaying its loan debt within the 30-year period. .
- 5.3 Following discussion of the detail in the report, the Board;
 - a) Noted the key changes arising from the draft position in January and likely implications of COVID-19
 - b) Noted the key areas of underlying risk in the final budget and set out at section 5 of the report along with mitigations in place.
 - c) Approved the forward financial plan
 - d) Approved the 2020/21 budget.

6.0 Health and Safety

ACTION

This is an opportunity to report on safety performance, funding requirements, safety failures and any other H&S related issues, to allow the board to give all such issues due consideration.

There were no matters to be reported / discussed, other than those reported in Item 4 and relating to COVID-19

7.0 A.O.B

The board noted a new Declaration of Interest made by a board member and that the register will be updated and any potential conflicts of interest will be monitored, managed and recorded in line with the Code of Conduct and Entitlements Payments and Benefits (EPB) Policy.

Fiona

8.0 Date and Time of Next Meeting

The meeting concluded at 7.30pm.

I certify that the above minute has been approved as a true and accurate record of proceedings:

Chair: Date: