

MINUTES OF MEETING NO.644
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 19 MAY 2020 AT 6.00 P.M. VIA ZOOM

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

Shona Stephen (Chief Executive), Rona Anderson (Director of Property, Enterprise and Regeneration), Elizabeth Hood (Depute Director), Donalda Hogg (Head of Business Services) Neil Manley (Director of Finance and Corporate Support Services), Fiona Smith (Executive Office Manager), Louise Smith (Director of Neighbourhood Services), Adele Drennan (Governance Officer).

Fiona McGovern GOSHA Assessor (Observer).

ACTION

1. Welcome and Apologies

Marilyn Clewes welcomed everyone to Board Meeting 644 and in particular to Fiona McGovern who is the Regeneration Officer at Ardenglen Housing Association and Anne Ramsey's Governance of Housing Associations (GOSHA) Assessor.

There were no apologies.

Board Members were invited to submit questions in relation to the reports in advance of the meeting however no questions were submitted.

2. Declarations of Interest

There were no new declarations.

3. Q4 Performance 2019/ 20

The purpose of this report is to provide the Board of Management with performance information for the fourth quarter of the financial year 2019/20. Strategic performance is measured through the monitoring of the Association's Business Plan, Key Performance Indicators (KPIs), complaints and management accounts.

- a) Q4 KPIs as at 31 March 2020 (Appendix 3.1);
- b) Q4 Complaints and Compliments Report as March 2020 (Appendix 3.2);
- c) Q4 Resident Scrutiny Update (page 2, Item 6.0)
- d) Q4 Strategic Risk Register (Appendix 3.3);
- e) Q4 Management Accounts as at 31 March 2020 (Appendix 3.4).

3.1 Key Performance Indicators – Quarter 4 (Appendix 4.1)

3.1.1 There are seventeen quarterly KPIs reported and three annual indicators, making 20 KPIs in total for the reporting year. The KPI report format and content focusses on KPIs that are either red or amber. The Board discussed the report and noted that the trends were similar to the previous quarter and action is being taken to address areas where performance could be improved:

- a) CS1 – Staff sickness absence
- b) IV1 – Capitalised major repairs budget

3.2 Q4 Complaints and Compliments (Appendix 3.2)

3.2.1 The Board noted that we received 97 complaints this quarter (80 in Q3). We received 23 compliments and examples of this feedback are given in section 8 of the report. As anticipated, due to recent staff training and a refresh of our complaints procedures, this has resulted in an increase in the number of complaints being recorded. The Board felt that we should continue to closely monitor trends and key drivers to ensure

that we continue to improve on our performance. It was noted that tenants must have confidence in the Association's ability to deliver positive actions and results following a complaint being made, otherwise it is likely that they may have refrained from making a complaint altogether. The Business Strategy team are re-launching the complaints procedure in line with the Ombudsman's new guidance and the new Complaints Handling Procedure will be brought to the Board in August for approval.

3.3 Q4 Residents Scrutiny Update

3.3.1 The Board noted the activities of the Residents Task Force (RTF) during Q4

3.4 Strategic Risk Register (Appendix 3.3)

3.4.1 The Board noted the Strategic Risk Register had been reviewed and updated by the Executive Management Team.

3.4.2 **Risk 1** – The Association is significantly financially impacted by the Covid-19 crisis with a significant increase in rental arrear and void rent loss and additional emerging service costs impacting both viability, service quality and reputation. The Executive Team have been meeting frequently (initially daily) to monitor and respond to changing advice and ensure staff have resources to safely deliver essential services. Service plans have been adapted to ensure there is continuity of delivery. Performance management data will allow the HA to focus on the impact of the crisis and assess the effectiveness our mitigations. Revised working practices introduced to support tenants affected and maintain rental income wherever possible.

Risk 2 - Since the Covid-19 lockdown, we have seen a spike in the number of UC claims. As staff are working from home, we have developed a specialist rent team who solely focus on rent issues. Our contact is via a welfare call to offer assistance and advice. We will signpost tenants to DWP or to the FIT team for any additional support required. We will continue to monitor our income collection and arrears management over the coming months in this way so we can identify issues at an early stage and offer support. It is anticipated that rent arrears will increase during Q1 as a result of the Covid-19 crisis.

Risk 9 - Owners were encouraged to make payment plans and set resources aside for this and as a result the impact in arrears was low. At Q4, overall arrears were the lowest results since QC Factoring began. The Board wished to note their thanks for the efforts demonstrated by the team to significantly reduce these arrears.

Risk 12 – The Covid-19 crisis is putting the organisation's business resilience and digital recovery programme to test. Remote working with greater use of technology supporting effective communication. Virtual Board meetings ensuring continuity of governance arrangements. Constant review of front line service delivery to ensure resources in place so staff can work safely.

3.4.3 The Risk Register has been updated to reflect the ongoing issues surrounding the Coronavirus pandemic to ensure that risks continue to be monitored and mitigated.

The Board requested that the Risk Register be further updated to record that the SHR is being provided information that they require in relation to Covid-19 and noted that this month the first monthly return has been submitted.

3.5 Q4 Management Accounts (Appendix 3.4)

3.5.1 Neil Manley presented the Q4 Management Accounts to the Board. As part of the year end process we continue to keep the financial year open and accrue relevant 2019/20

expenditure and income where appropriate so the financial year end position will be an update of these draft figures.

- 3.5.2 Neil highlighted to the members there was a **£2,517,296** surplus against the forecasted surplus of **£1,206,452** (a £1,310,844 favourable variance to the budget target).
- 3.5.3 The detailed performance against the financial covenants is attached in Appendix 4. This shows the financial covenant targets required are being met.
- 3.5.4 We have a healthy cash balance as a result of the drawdown of the bond finance in Q4 of 18/19 whilst the forecast expenditure for the new build expenditure at Hamiltonhill and the investment spend at Cedar has still to accelerate. The detail of how and where this cash is invested and detail on the loan debt of the association is detailed in Appendix 5.
- 3.5.5 The financial position of the factoring subsidiary is detailed in Appendices 6 & 7 and shows a surplus to the end of Q4.
- 3.5.6 In Q4 the Workspace subsidiary is showing a surplus to the end of Q4. In the current climate, QC Workspace is thought to be the most vulnerable in the group due to the commercial environment in which it operates.
- 3.5.7 Appendices 10 and 11 provide an update on the Development programme and the Component replacement and Investment programme.

4.0 ASB Annual Report

- 4.1 The purpose of this Report was for the Board to note the performance outcomes for reports of Anti-Social Behaviour in 2019/20 and the objectives for 2020/21.
- 4.2 This is the second annual report on the outcomes of anti-social behaviour complaints. The Anti-Social Behaviour policy and procedures were reviewed and updated in 2018 following an Internal Audit. Due to the serious nature of Hate Crime and Domestic Abuse we have separate guidance and procedures that also fall under the remit of the Anti-Behaviour Policy.
- 4.3 A new reporting and monitoring system was developed and also includes a quarterly monitoring report that enables qualitative information to be also be recorded. This system was to be further developed and embedded during 2019/20 but due changes within the service, this objective was not achieved but remains a priority for 2020/21.
- 4.4 The Board noted the outcomes for 2019/20 as set out at section 3 of the report and that in comparison to last year's performance, overall, the number of records of anti-social behaviour have increased.
- 4.5 After further discussion, the Board:
 - a) Noted that management of anti-social behaviour remains a priority for our tenants.
 - b) Noted that there was an overall increase in the incidents recorded in 2019/20 through use of the new 'advice' indicator.
 - c) Noted that noise complaints remain the most common reason for reporting anti-social behaviour.
 - d) Noted that there was 1 decree for eviction for ASB in 2019/20.
 - e) Noted that a review and improvement of reporting and procedures will continue including additional staff training.
 - f) Noted and agreed with the priorities for 2020/21.

5.0 End of Year Arrears Write Off

- 5.1 The purpose of this report was for the Board to approve the request to write-off non-recoverable former tenant arrears for Q3 & 4 for financial year 2019/20.
- 5.2 In accordance with the Rent Arrears Policy, the Association pursues all former tenant arrears cases. Each case is regularly reviewed up to the point where there is no prospect of recovery or it becomes financially unviable to pursue the debt. When this situation arises the Association will consider writing off the arrear as bad debt and not recoverable.
- 5.3 At the end of the last financial year (2018/19) the Board were asked to approve a significant debt write off following a review of our process for managing Former Tenant Arrears. Revised reporting and monitoring process were put in place for 2019/20 to better manage former tenant arrears. This is now part of the overall monthly review carried out with Housing Officers.
- 5.5 After discussion, the Board approved the former tenant write-off report for Quarter 3 & Quarter 4.

6.0 Procurement Strategy and Report

- 6.1 The purpose of this report was for the Board to discuss and approve the Value for Money and Procurement Strategy and Annual Procurement Report and authorise their publication.
- 6.2 The Strategy has been reviewed and updated to reflect how the Association will approach procurement of works, goods and services in the year ahead to meet compliance and Value for Money objectives. The Report provides an account of how we have performed in delivering last year's Strategy.
- 6.3 The Board noted that the Association aims to maximise Community Benefits from its procurement activities and that the Association recognises that it has taken time for our Community Benefits model to be bedded in and we are working with Lead Officers to ensure the inclusion of community benefits becomes normal practice, whether within the contractual terms or via negotiation.
- 6.4 The Board approved the Value for Money and Procurement Strategy and Annual Procurement Report and authorised their publication.

7.0 Remuneration Committee Report

- 7.1 The purpose of this report was for the Board to note the outcome of the Remuneration Committee meeting on 14 May and agree the recommendations as set out in the Report.
- 7.2 The Remuneration Committee is responsible for supervising and reporting on the performance and remuneration systems for CEO and Director level staff each year.
- 7.3 The Chair of the Remuneration Committee providing a further update confirming that the meeting on 14 May had taken place and that all Chief Executive and Directors objectives for 2019/20 had been met.
- 7.4 The Board:
- a) Agreed that the senior staff member not yet at the top of their scale, receives the standard incremental progression.
 - b) Noted that the CEO and Director level staff will also benefit from the separate, across the board cost of living rise that was approved in 2019 as part of a two-year deal following negotiations with the relevant trade union.

8.0 QC Group Governance Review

- 8.1 The purpose of this Report was for the Board to approve the revised Governance Regulations being presented (Appendices 1-6 within the Report).

- 8.2 This is the fourth in a series of reports to present changes to the Housing Association Governance Regulations to establish Governance Regulations that can be applied consistently across the QC Group. The review has been carried out with due regard to;
- SHR Group Structures and Constitutional Partnerships Statutory Guidance (February 2019)
 - SFHA self -assessment of SHR Regulatory Standards
 - Existing Workspace, Factoring and Garscube governance and other regulatory documents.

8.3 After discussion, the Board approved the recommendations in the report :

9.0 Annual Health and Safety

9.1 The purpose of this report drafted by Jim Tassell, our Health and Safety Consultant, was to provide independent assurance to the Board that Queens Cross Housing Associations is compliant with Health & Safety Legislation and has taken action where necessary to improve any area of non-compliance.

9.2 This report looks both back to previous recommendations and forward across the current health and safety landscape. It is made at a time of great turmoil due to the impact of the Covid-19 virus. We do not know how long its impacts will be felt or in what ways they will bear upon the management of health and safety within the Association.

9.3 The recommendations made within the report have not been moderated to take account of the present position but it must be recognised that they will need to be kept under review as the year progresses, both in terms of practicability and timescale.

9.4 The Board:

- a) Noted the content of the report including progress with actions from the 2019/20 report.
- b) Approved the recommendations contained in the 2020/21 report.
- c) Noted that progress against the recommendations will be co-ordinated by the Executive Office Manager, monitored by the Health and Safety Committee, reported to the Executive Team quarterly and annually to the Board unless there are any matters that require to be reported by exception.

10.0 SHR Monthly Covid Return

10.1 The Chief Executive provided a verbal update to the Board following the submission of our first monthly Covid return to the Scottish Housing Regulator on 7 May 2020.

10.2 SHR are working with the Scottish Government and the newly formed Social Housing Resilience Group (SHRG) to understand the impact of the pandemic and where support is needed by social landlords. In order for them to get a clear picture of the impact on social landlords, tenants and other service users they have agreed with the Scottish Government and the SHRG that they will provide regular reports on the impact of the Coronavirus pandemic on social landlords. They have therefore asked all social landlords to provide them with a short monthly information return with the first return being due by Thursday 7 May.

11.0 Repairs & Maintenance Policy for approval

11.1 The purpose of this report was to present the draft Repairs & Maintenance Policy to the Board for approval.

11.2 After discussion, the Board approved the Repairs & Maintenance Policy subject to one minor amendment at section 12.2:

12.0 Health and Safety

12.1 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.

12.2 The Health and Safety Committee met on 19 May and as expected, discussions were dominated by Covid-19 including arrangements for preparing facilities for staff returning to work. We are also keeping in mind the health and safety implications for those staff who continue to work from home and are likely to continue working from home for the foreseeable future.

13.0 New Membership Applications

13.1 There were no new memberships to be considered.

14.0 Update from Chair of Audit Committee following the meeting on 13 May

14.1 The Chair of the Audit Committee provided a verbal update following the meeting which took place on 13 May.

14.2 The Board noted that:
a) The Factoring Audit received substantial assurance
b) The Audit Plan for 2020/21 was approved based on Risk Assessments and previous audits.
c) Both the Investment Policy and Reserves Policy were approved.

15.0 Minutes of Meeting 643

15.1 The minutes of meeting 643 were agreed as an accurate account proposed by Anne Ramsey and seconded by Margaret Glass.

16.0 Action Tracker

16.1 The following to be added to the action tracker:
• Following consultation, an amended Allocations Policy will be brought back to the Board in October 2020.

17.0 A.O.B

17.1 It was confirmed that the Board Business Planning day would go ahead on 19 June and a communication will be issued in due course confirming how we intend to deliver this.

18.0 Date and Time of Next Meeting

The meeting concluded at 7:45pm. The next meeting will take place on Tuesday 18 August 2020.

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

Chair: Date: