

**MINUTES OF MEETING NO.652**  
**QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT**  
**HELD ON TUESDAY 26 JANUARY 2021 AT 6.00 P.M. via Zoom**

Andrew Burns, Marilyn Clewes (Chair), Ian Elrick, Margaret Glass, Sadie Gordon, David Horner, John McIntyre, Matthew Millar, Robert Takenzire, Bronwyn Wyper.

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

Niall McKinnon (Head of Development) – item 7 only.

**ACTION**

**1.0 Welcome and Apologies**

1.1 The Chair welcomed everyone to the first Board meeting of 2021.

Apologies received from Anne Ramsey.

**2.0 Declarations of Interest**

2.1 There were no new declarations.

**3.0 Covid-19 Update**

3.1 The purpose of this report was for the Board to note the actions taken by the Executive Team in response to the additional Covid-19 restrictions imposed by Scottish Government in January 2021.

3.2 On 4<sup>th</sup> January, a day prior to the “virtual” office reopening on 5<sup>th</sup> January, the Scottish Government announced increased restrictions which impacted on the services which could be provided by QCHA. The Executive Team met on 5<sup>th</sup> January to assess the implications of the restrictions and the increased risks in relation to working practices, furlough / essential worker status, service delivery, communication to tenants and health and safety. In addition, there had also been a spike in positive Covid tests reported by staff members and in the number of staff being required to self-isolate through Track and Trace.

3.3 Following the Executive Team meeting, the CEO wrote to all staff that afternoon to notify them of the implications for them and their teams. A Leadership Team meeting was also convened on 14 January to update the members and to discuss how best to support each other, their staff teams and maintain morale and good mental health. The Executive Team will continue to meet twice weekly, with one meeting solely focussed on Covid-19 as they have done since the first week of lockdown.

3.4 The Board noted that a leaflet is being prepared for issue to all tenants to ensure that those without internet access are fully informed of the service restrictions in place, the safety procedures required and the assistance available such as financial advice and food deliveries. Regular messages are also put on our social media sites to keep tenants updated.

3.5 In response to a question raised, it was confirmed that we currently have one member of staff on part-time furlough and an additional four staff on full-time furlough due to a reduction in services.

3.7 The Board noted the report.

## **4.0 Draft Budget 2021 / 2022**

- 4.1 The purpose of this report was to present the 2021/22 draft budget together with the 30 year financial plan for discussion and for the Board to agree the 2021/22 rent increase as well as the rate of inflation to be used for future rent consultations.
- 4.2 At the Board Planning days in November, the Board reviewed the underlying assumptions in the financial plans for 2021/22. The budget has been drafted using a 0.7% increase in rental income being the option most favoured in the rent consultation. As highlighted previously this is a lower figure than the benchmark RPI figure that we may have used but during this difficult financial environment such a lower increase is desirable. The Board noted that applying 0.7% to the rent roll increases the overall income by £140k. The consultation report in the portal provides more detail on the background and rationale for proceeding with this increase.
- 4.3 Neil Manley, Director of Finance and Corporate Support delivered a presentation on the draft budget for the year ahead.
- 4.4 Budget review meetings have assessed the impact of the covid19 crisis on the association and the budgets have been drawn up on the basis that these impacts will continue into 21/22 although on a less significant basis and with some spend patterns reverting to a more normal position through the year.
- 4.5 The Board discussed the risks as set out at Section 5 of the report and noted that the draft budget has been drawn up with an assumed 0.5% pay increase. Although we are not a full member of EVH, the union do look to the sector wide EVH offer as guidance and we understand their existing three year agreement, due to prevailing low inflation rates, is subject to new negotiations. This may present a risk and delay us being able to agree a timely offer with Unite for our staff however we have entered into discussions.
- 4.6 The Board also noted that following on their decision in the autumn, the forecasts are based on retaining the 50/50 split for contributions for 2021/22 to the SHAPS DB scheme and in increasing the employer SHAPS DC scheme contribution to 6%.
- 4.7 In relation to the income growth, the Board noted that the overall financial plan is still dependant on rents increasing by 1% more than inflation in 3 years of the 30 years and it is anticipated that these will be within the first 15 years. In response to a question raised, the Director of Finance and Corporate Support agreed to work out how much additional savings would need to be made to get us to a "like for like" position where rent increases are in line with inflation. These figures will be brought back to the Board for consideration in March.
- 4.8 The Board:
- a) Agreed a 0.7% rent increase which will be incorporated into the final budget for 2021/22.
  - b) Agreed to use the CPI(H) figure for future rent increase consultations.
  - c) Agreed and noted the assumptions made and the fact the forecast meets the covenant targets required.
  - d) Noted the sensitivity analysis and the key drivers behind the Association's financial forecast and the risk mitigation outlined where appropriate.
  - e) Noted that the finalised budget incorporating any changes will be presented at the March Board Meeting for approval.

**Neil**

## **5.0 ARC Peer Comparator Report Presentation**

- 5.1 The purpose of this presentation was to demonstrate to the Board how the Association performed in comparison to other RSL's of a similar size, stock type and location in 2019/20 following the ARC submission which was made on 31 May 2020.
- 5.2 The areas of comparison were lettings, rental income, tenancy sustainment, number of notice of proceedings issued, repairs and levels of satisfaction.
- 5.3 The Board noted that the Association were in the upper quartile in relation to the average number of days to re-let, the percentage of loss due to properties being empty, current tenant arrears and the average length of time to complete non-emergency repairs.
- 5.4 77 properties were let to Section 5 Referrals which accounted for 49.7% of all lets made in the reporting year. This figure has increased due to the Scottish Government's request for RSL's to be letting the majority of their properties to homeless applicants during the Covid-19 pandemic.
- 5.5 The Board discussed the % of former tenant arrears written off and noted that although we had written off a higher percentage compared to other RSL's, the decision was taken from a good housekeeping perspective and ensures that we are not carrying forward large amounts of non-recoverable debt.
- 5.6 The Board felt that although we were in the middle quartile in relation to % of new tenancies sustained for more than a year, this was still very good performance at 89.69% given that almost 50% of our lets were to Section 5 referrals. This shows that the Association is managing to get vulnerable people into safe and secure accommodation where they are happy to remain.
- 5.7 It was noted that 38.37% of offers were refused in the reporting year however we are hopeful that the decision to move to a Choice Based Letting system will reduce this figure significantly.
- 5.8 Although there was a slight deterioration in in average time to complete emergency repairs, this does vary year to year and doesn't take many to alter the figures as emergency call outs are a smaller proportion of the overall figure. In every case, we always work with the contractor to make the necessary improvements.

## **6.0 Cedar Investment Contract**

Due to commercial sensitivity, this report is not for publication.

## **7.0 Strategy & Development Funding Plan 2021-25**

- 7.1 The purpose of this report was to seek Board approval of the Association's Development Funding Plan for 2021-2025 as previously submitted to the City Council and as such note the proposed future development programme outlined for the Association over the next 4 years.
- 7.2 RSLs are required to submit an annual SDFP to allow Development & Regeneration Services (DRS) to accurately plan its Affordable Housing Supply Programme [AHSP] funding for next year and for future Strategic Housing Investment Plan [SHIP] priority. This year, the future period has been extended from 3 to 4 years. RSLs are required to show in the SDFP how their proposals meet the relevant priorities identified within the City Council's Local Housing Strategy [LHS] and the Council's SHIP. This will be critical to access future grant funding.

- 7.3 The SDFP format is a series of Tables providing information on the various projects proposed in the 4 year period and beyond. The document is provided for consideration, with these Tables summarised in Appendix 1 of the Report.
- 7.4 The Plan now identifies the 4 phases of Hamiltonhill development to be delivered, over the next 10 years. Phase 1 is now likely to start in March 2021 for a 3 year contract, so there is scope for the cashflow to vary over this period.
- 7.5 The Head of Development presented information in relation to the number of units, start date and annual costs in relation to each development project and the Board reviewed the estimated rental income from the new build development at Hamiltonhill.
- 7.6 The identified Grant requirement of £12.559m in 2021/22 is based primarily on phase 1 of Hamiltonhill being on site, together with completion of the advanced grouting works for the south area.
- 7.7 Borrowing requirements will peak in 2023/24 to complement this Grant expenditure although the grant allocation also assumes front-funding of £3m by the Association for Hamiltonhill in each of the next 2 years. The City Council have recently contacted the Association to ask if it would be able to consider a significantly greater level of front-funding due to the pressures on the Council's budget against programme. This has been discussed internally and agreed that we could likely fund £7m out of the £12m. There is a meeting arranged with the Council on 27 January to discuss this in detail and a meeting between development staff and GWSF in relation to the programme the following week. If we can fund £7m then only £5m would be required in funding from the Council which we hope will be acceptable to them, albeit some more risk to ourselves. The outcome of the negotiations will be reported back to the Board.
- 7.8 Following a return to normality the Board would like to visit the sites to see how these are progressing.

Rona /  
Niall

After discussions, the Board:

- a) Approved the Association's Development Funding Plan for 2021 – 2025 as previously submitted to the City council.
- b) Noted the proposed future development programme as outlined for the Association over the next 4 years.
- c) Noted that the SDFP was required to be submitted to Development & Regeneration Services (DRS) of the City Council by 24 December and was fully considered by the Executive Team prior to this submission.

## **8.0 Re:markable Accreditation Awards**

- 8.1 The purpose of this report was to report to the Board on our achievements following the Re:markable accreditation assessments.

### **8.2 Developing Re:markable Boards**

- 8.2.1 The Board decided to pursue this accreditation to emphasise the importance of good governance in QCHA and to use the Re:markable Developing Boards framework to help review and improve its practices. The framework is purposely designed to be flexible and to meet the needs of individual organisations.
- 8.2.2 The Board, along with the Executive Office Team and Executive Team, had been working towards the accreditation for around 18 months and a specialist, Stephen McQuillan worked alongside to provide advice and guidance. As part of the continuous improvement approach, the Board identified the following areas of focus:
- A Board which has a clear purpose and clear roles for members with clarity of responsibility between the CEO / Executive Leaders and the Board.

- Effective recruitment process with a diverse pool of members which will ensure effective succession planning.
- An approach that engages members with employees, customers and stakeholders to ensure a holistic view of the Association.
- A working together philosophy where talent and capability development aligns with future strategy.
- Feedback and evaluation of Board practice whilst driving an innovative culture.
- how to use the Framework to support developments across all QC Boards and to ultimately have each Board recognised in meeting the standard.
- how to best develop the ambassadorial role.

8.2.3 Following the information gathered and the structured conversations held it has been decided that QCHA meets the standards for recognition as a Developing Board. This is a great acknowledgment of how well the Board works together and the skills it shares. It was noted how well and how quickly the Board had moved to holding its meetings online.

8.2.4 An action plan with recommendations and opportunities to support next steps was developed as part of the process. This will be taken forward over the next few months and reviewed at the Board Planning session in June 2021.

### 8.3 **Investors in People**

8.3.1 The IIP framework is based on 25 years of leading practice, the latest research and workplace trends. It is organised around nine key indicators of high performance each with three underpinning themes.

8.3.2 QCHA was awarded IIP at silver level in 2018. Since then, we have carried out considerable work in widening and developing our leadership team, improving development and capacity building and dealing with pivoting to digital working in the face of a pandemic. An online feedback survey was answered by 118 people out of 197 and followed up by one to one discussions and semi structured interviews of around 45 minutes each. In addition, there were general observations and a desk review of documentation carried out by the specialist advisor, Stephen McQuillan.

8.3.3 Following this, we have been awarded IIP at gold level. Our online ratings generated a benchmark score of 742 against a national benchmark of 726 and a broad industry comparison of 724.

8.3.4 It is encouraging to see that we have high performing scores in areas such as living the organisation's values and behaviours, recognising and rewarding high performance, building capability, delivering continuous improvement and creating sustainable success. It was noticed by the specialist advisor how well QCHA had responded to the pandemic and how far ahead they were compared with many other RSLs. This was also reflected in the positive response from staff to how this had been done.

8.4 The Board noted that QCHA is the only organisation which currently holds accreditations from Re:markable for Developing Boards, Investors in People (Gold) and Investors in Young People (Silver) at the same time. Our next goal is to achieve Investors in Young People at Gold level.

### 9.0 **Note of Board Planning Sessions – 30 Nov / 1 Dec 2020**

9.1 The Chief Executive presented the notes following the Board Planning Sessions which took place virtually on 30 November and 1 December 2020. This was an opportunity for the Board to review the notes and provide any feedback or information that they wished included.

- 9.2 It was noted that the Excellence Awards should be recorded as item 1 on session 2 which took place on 1 December 2020.
- 9.3 The notes of both sessions were agreed as an accurate account by the Board.
- 10.0 Health and Safety**
- 10.1 This was 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.
- 10.2 The Board noted that the main points had been covered within the Covid-19 Update at item 3. These have also been considered recently by our Health and Safety Committee who continue to meet regularly and update the Risk Assessment.
- 11.0 New Membership Applications**
- 11.1 Membership of QCHA**
- 11.1.1 There were no new Membership Applications to be considered.
- 11.2 Membership of Other Organisations**
- 11.2.1 The Board approved the SFHA membership renewal fee for 2021/22.
- 11.2.2 The Board approved the Positive Action in Housing membership renewal fee for 2021/22.
- 12.0 Minute of Meeting No. 651**
- 12.1 Matters arising – page 4 – Neil Manley, Director of Finance and Corporate Support advised that he had not yet had the opportunity to review the lease for the Dundasvale car park however he will do so when he has the opportunity to next attend the office. **Neil**
- 12.2 The minutes of meeting no. 651 which took place on 24 November 2020 were agreed as an accurate account, proposed by Margaret Glass and seconded by Andrew Burns.
- 13.0 Action Tracker**
- 13.1 **AT 2018 / 2019: 02** – Rona Anderson, Director of Property, Enterprise and Regeneration confirmed that in December, the Executive Team had approved a proposal to adopt the model Impact Assessment Template for Social Regeneration Activities which will be implemented as of 1 April 2021. We will present this to the Board at the next planning day in June as we may wish to use this in other areas of the Association going forward. **Rona**
- 13.2 **AT 2019 /2020: 06** – agreed that this was to be removed from the tracker and added back on for review in January 2022.
- 13.3 **AT 2020 – 2021: 01** - agreed that this item was to be removed.
- 14.0 Date and Time of Next Meeting**
- The meeting concluded at 8pm.
- The next meeting is scheduled to take place on Tuesday 23 February 2021 at 6pm.

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

**Chair:** ..... **Date:** .....