

## Board meeting

Minutes of the meeting of the Board  
at 5:30pm on **11th February 2020**

Held at:  
Viewpoint Housing Association Ltd.  
4 South Oswald Road  
Edinburgh EH9 2HG

### Board Members

Mr I Thompson, Chair  
Mr T Roehricht, Vice Chair  
Mrs C Jardine

Ms K Kennedy  
Mr D McIntosh

Mr J Muir  
Ms P Russell  
Mrs J Simpson

### Attending

Jean Gray, Chief Executive Officer (CEO)  
Howard Vaughan, Director of Finance and Assets (DFA)  
Helen McMorran, Director of Business Support (DBS)

Ann Wood, Director of Care (DC)  
Esther Wilson, Director of People and Place (DPP)  
Tom Mitchell, CGPM Consulting LLP

### Apologies received

Mrs C Lumsden

### Minutes

Item	Subject	Action	Due Date
00	Welcome		
a	There being a quorum present, the Chair welcomed all and opened the meeting. John Muir and Caroline Jardine attended the meeting via telephone.		
b	Jean Simpson and John Muir declared an interest, due to their tenancies, in connection with discussions on the proposed rent increase. There were no further declarations of interest to those already on record.		
06	Co-option of new Board member		
a	The Chair asked that this be considered at this point of the agenda to allow John to participate in further discussions at the meeting. Further to the information presented regarding John Muir the Board members were asked to support his appointment to the Board. The Board unanimously approved the appointment.		
01a	Minute of previous meeting		
a	The minutes of the meeting of 10 <sup>th</sup> December 2019 with no changes.		
b	The minute of the private session of the Board meeting on 10 <sup>th</sup> December 2019 will be presented at the next meeting.		
01b	Matters arising and outstanding actions		
a	There were no matters arising not on the agenda or not included in the outstanding actions log.		
b	All actions except 11, 13, 26, and 31 were considered to be closed.		

Item	Subject	Action	Due Date
02	Minutes of sub-Committees		
a	<p><b>Risk and Audit Committee</b></p> <p>The minute of the previous RAC meeting have just been completed and are not yet available for circulation. TR provided the meeting with a verbal update.</p>		
b	<p>The RAC considered the Voids Audit report which was graded Substantial Assurance; this was a very good outcome. The report contained 3-Medium level and 5-Low grade recommendations, which had been agreed by the Executive Team.</p>		
c	<p>The RAC was concerned with issues in Asset Management: with the system supplier, shortages of staff; data cleansing; and with the Civica implementation being delayed by another 6-months due to the supplier not being able to provide resources. It was agreed that Asset Management would be a standard agenda item to monitor progress.</p>		
d	<p>The new risk register was updated and considered at the meeting.</p>		
e	<p>The Health &amp; Safety Tracker was considered and updated. It will be added to Convene to enable the Board to review on an ongoing basis.</p>		
03	Strategic matters		
a	<p><b>Governance Action Plan update</b></p> <p>TR provided the update as he had chaired the meeting. JG introduced the report advising that there were a small number of actions which had slipped, however none of these were deemed major issues. These were primarily dealing with Board training, which is being planned.</p>		
b	<p>The SHR has acknowledged receipt of the latest version of the Governance Action Plan. They are comfortable with progress to date and asked to be updated if any key actions slipped.</p> <p>The Internal Audit Review on Governance is scheduled for April and it is hoped will also provide assurance over progress.</p>		
c	<p><b>Risk Appetite</b></p> <p>TM introduced the paper on Risk Appetite and explained the process, which had been gone through so far. The process so far has considered the broad types of risk, the definition of the inter-sections between type and score and for the Executive Team to set out their understanding of where the Board's appetite lies.</p>		
d	<p>TM introduced the Risk Appetite spider diagram, which ultimately provides a diagrammatic representation of where current risk exposure sits relative to appetite.</p>		
e	<p>Clarification was sought and given on the following:</p> <ul style="list-style-type: none"> <li>• A risk level up to and including the level selected is considered to be acceptable;</li> <li>• The potential conflict between political risk (as in is separate from regulators) and obligation to act always for beneficiaries;</li> <li>• The Board undertaking a similar exercise to the Executive to determine their risk appetite;</li> <li>• Risk management applies to risk we encounter rather than risks caused;</li> <li>• That actual risk can be scored up to 16 in the spider diagram;</li> </ul>	TM	18 Feb 2020

Item	Subject	Action	Due Date
	<ul style="list-style-type: none"> <li>How to take the work forward. Options considered were each person completing the grid alone or a group session with some training. The appetite is needed before the next strategy day</li> </ul>		
f	The Board raised a number of points regarding the information presented and felt that the methodology used was quite complicated. Following a long discussion on how this would be taken forward it was agreed that an open group session should be run within the next month to ensure the Board are conversant with how the key risks are identified and managed.	TM	8 Mar 2020
g	<p><b>Standing Orders</b></p> <p>The Chair asked that the Standing Orders as drafted should be subject to comparison with the prevailing Standing Orders so that a better understanding can be obtained over the changes; it was agreed that the differences between the two versions need to be clearly identified. In addition, there is a concern that there will be matters in Standing Orders that may be covered in the new Rules.</p>		
h	The Chair requested and the meeting agreed that any revised Standing Orders and the new Rules be considered together. TM and the CEO will arrange a date to take this forward for completion and presentation to the next Board meeting on 10 March 2020	TM	20 Mar 2020

#### 04 Organisational change

- a PR introduced the organisational change paper. Progress to date has been very good. Credit goes to the staff for the progress made; they seem to have bought in, notwithstanding the level of change and this gives assurance to the Board in the lead up to implementation.
- b It is positive to note that the goals per the strategy have been reviewed to ensure that they are realistic and to make them more achievable. The formation of the joint consultative committee is most welcome and been some time in coming; early indications are that a number of staff wish to be part of it.
- c Completion of the project is still anticipated by 31 March 2020 with implementation beginning very soon thereafter.
- d The CEO updated the Board regarding the joint session between the Executive and "Heads Of". This was a positive meeting and underlines what has already been said about the buy-in. Next steps for the Heads Of will be to present the plan to their teams and produce departmental plans in line with objectives. A key message being delivered is that communication is critically important and that teams have ownership of the work plans they will be delivering.
- e The CEO explained that the Organisational Design project has been a very good piece of work and wished to underline the ongoing work and effort put in by the Executive team. Implementation is likely to take c2-3 years but will clearly be part of our continuous improvements within Viewpoint. JG also highlighted that supporting staff is critical and that there would be coaching and ongoing support available for those who need it.

#### 05 Strategic plan

- a The CEO presented the Draft Strategic Plan 2020-21, which also has indications of what we will be doing over a 3-year period, and invited feedback. A lot of work has been done on creating a set of detailed

Item	Subject	Action	Due Date
	objectives, which consolidates catch-up work but also lays the foundations for the future.		
b	The next Board away day will be an opportunity to begin to consider the strategic future of Viewpoint and to create some definition around the general aspirations of where we are and where we want to be; e.g. what does growth mean for VHA; what is the future of care; how will we reach the challenging targets of ESSH in some of our properties		
c	Though the Executive would have preferred to prepare a 3-year plan, there is a significant body of work to complete in the immediate future and much of that is needed to lay the foundations for the future.		
d	Initial feedback and discussion considered the following matters: <ul style="list-style-type: none"> <li>The balance between Care and Housing appears to remain heavily biased to Housing despite Care being c50% of VHA's business. JG will expand on this in the introduction;</li> <li>Reference to work done to identify the needs of VHA's customers would improve the presentation of plans to improve customer/tenants satisfaction;</li> <li>JG proposed a section on "How we engage and how you participate";</li> <li>A summary Strategic Plan will be prepared as a more public "glossy" document albeit the detailed Plan will be available on our website;</li> <li>A competitor analysis and financial strategy will be developed to support the more long-term Strategic Plan. The 2020-21 Strategic Plan aligns with the budget rather than a separate financial strategy. This is due to the Plan covering a relatively shorter period.</li> </ul>	CEO	10 Mar 2020
e	The DBS tabled extracts of the Internal Management Plan and explained how it was generated and how it would be used by staff but also inform a report for the Board. These documents will be emailed to CJ and JM. The IMP and Departmental Dashboard create a linkage between the Strategic Plan, Departmental Objectives and Personal objectives. The meeting noted the Plan and example Departmental Dashboard.	DBS	12 Feb 2020

## 07 Budget 2020-21

- a **Rent increase**
- The meeting considered the report, which summarises the results of the Rent Consultation. The papers also include the paper, previously considered, which set out the background for the level of rent for consultation. The DFA noted an increase to the Capital Expenditure figure to £2.6m excluding Care Homes.
- b The response rate from social rented tenants was just over 21%, which was down on 2019-20, but a good overall rate. The VTRG have asked that the Board consider a rent freeze, not for 2020-21 but the following financial year. This matter will be considered when the Board considers proposed Rent Increase for 2021/22.
- c The proposals for the revised service charges have had a mixed reception; the key message that for many the service charge in relation to heating and hot water will reduce appears not to have been understood. This will be rectified as far as possible through individual notifications to tenants and through News Point in March 2020. Tenants are also able to speak to their Housing Officer regarding this.
- d Separate consultations took place with Loan Stock tenants and Sharing Owners. The consultation for a small number of the loanstock tenants remained open until Friday last week but unfortunately, due to the adverse

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	weather it has not been possible to confirm with the relevant staff member whether any further forms have been received.		
e	In respect of the Rent Equalisation project, the budget recognises all rent reductions that are taking place from 1 April 2020 but continues to observe the staged increases for those where rents are increasing for a further year.		
f	The Board approved the proposed rent and service charge increases in line with the proposal on which consultation took place.		
g	<p><b>Capital expenditure (Assets)</b></p> <p>There is a significant body of detail held now following the Electrical and Mechanical Reports on our stock. The oldest heating systems in VHA complexes will be treated as a priority for 2020/21. Five &gt; 25-years old have been identified.</p>		
h	A budget of £1.7m has been identified, based on replacement heating systems; in addition, there is a further £2.8m of sundry works to be completed (lifts, bathrooms, walls, roof, etc). Work will now begin looking at sustainability options for the replacement heating. Heating systems will be the focus in our assets for at least the next five years. A short workshop will be arranged in April 2020 to review our current reserves and how some of these could be utilised for capital spend programmes.		
i	Observers may see VHA as reserve rich; this however does not equate to being cash rich. The cash balance also includes funds relating to shared owners among other things. It is essential that good communication promote the message that reserves do not equal available cash.		
j	<p>Initial feedback and discussion considered the following matters:</p> <ul style="list-style-type: none"> <li>• Capital expenditure on care homes looks very low. The budget reflects the budget requests of the care home managers. There has been a level of investment in the past year or so which lowers the need for the next financial year.</li> <li>• The proposed capital budget excludes Glenesk;</li> <li>• A stock condition survey was undertaken in 2018, but a consultant has been working on some of the gaps in the data and also to cleanse data from the survey. This ties in with the Civica project and allows VHA to produce accurate templates to give to Civica;</li> <li>• Any data that was missing from the original stock condition survey has been superseded by the work of the external consultant that has been working with VHA over recent weeks;</li> <li>• The meeting noted that the proposed expenditure was essential “must spend” projects. Evaluation of the projects is undertaken in house to develop the return on assets valuation;</li> <li>• There is no contingency in the revenue budget for any overruns. The figure in the budget is on the advice of VHA’s consultant and remains to be tendered where some savings are anticipated as we consider value for money.</li> </ul>		
k	The Board approved the proposed level of capital expenditure as set out in the supporting paper.		
L	<p><b>Salary increase and review</b></p> <p>The CEO introduced the paper on the proposed salary increases and salary review across VHA and invited questions. A small number of lower paid staff will be receiving a larger increase to reflect working towards the Scottish Living Wage (SLW); the SLW should be achieved next year.</p>		

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m	Initial feedback and discussion considered the following matters: <ul style="list-style-type: none"> <li>The Board expressed gratitude that VHA was working towards the SLW. It is also good to see that the plan is affordable at this point in time;</li> <li>A full salary review is anticipated to be completed by 30<sup>th</sup> September 2020.</li> </ul>		
n	The Board was asked, and approved the proposed salary increase as set out in the supporting paper. The Board also agreed to a full salary review with recommendations coming back to the Board in October 2020.		
o	The Board agreed to convene a small working group to consider a proposed salary increase for the executive team.	CEO	10 Mar 2020
p	<b>Budget 2020-21</b> The paper includes a reconciliation to the position first proposed in October 2019. The proposed budgeted surplus is £622k for the year. Release of c£190k of accruals has been deferred to 2021-22 pending a further discussion around reserves and the potential use of a designated reserve to manage investment. The DFA invited questions.		
q	Initial feedback and discussion considered the following matters: <ul style="list-style-type: none"> <li>The sustainability of a longer-term strategy of having cost increases of more than income was considered against the balance of spending funds out of reserves;</li> <li>The scheduling of the proposed capital expenditure;</li> <li>The impact of funds being invested;</li> <li>The Board receiving longer-term cash flows to be able to monitor cash and reserves to ensure a balance is obtained as funds are invested.</li> </ul>		
r	The Board approved the proposed Budget for 2020-21 as set out in the supporting paper.		
08	<b>Additional temporary resource</b>		
a	The DPP introduced the paper on seeking authorisation for the recruitment of a full-time domestic supervisor for a period of 18-months. The Board approved the additional resource.		
09	<b>Q3 Management Accounts</b>		
a	The DFA introduced the Q3 2019-20 Management Accounts. The deficit arises due to the payment of early redemption fees to RBS in respect of the refinanced loan.		
b	The original budget has now been linked to the reforecast as requested by the Board and this is presented on page 2. The majority of changes related to maintenance spend being moved from capital spend to within planned maintenance.		
c	There is a typographical error in the last line of bullet 4 of the left column where £1701 should read £170k.		
d	Initial feedback and discussion considered the following matters: <ul style="list-style-type: none"> <li>DM asked if there were any regulatory implications arising from showing a loss. The SHR are aware of the main movement – the RBS fees – which is not a trading item <i>per se</i>. The DFA advised that there should not be any regulatory implications as VHA remains viable and the loss does not arise as a result of deficit trading; but the SHR still express an interest and will consider the overall financial situation when the 5 year plans are submitted at the end of May 2020</li> </ul>		

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e	The meeting noted the Q3 2019-20 Management Accounts.		
10	Professional advisers update		
a	The Board were asked, and agreed, to approve the appointment of Alexander Sloan as the external auditor.		
b	The tender for insurance services is being delayed and the current provider has extended their services for 6 months to ensure we have adequate time to procure this resource. The Board noted this.  <i>Two hours having passed, Standing Orders require that the consent of Board members is sought and given for Standing Orders to be suspended and for the meeting to continue; consent was given by Board members.</i>		
11	Governance report		
a	The RIDDOR Notifiable Event is now closed. The Fraud Register will be available at the end of the meeting for the Chair to sign.		
b	The ICO have been updated in respect of the outcome of the investigation relating to staff records; the matter is closed.		
c	The Board members have received a confidential paper on a settlement agreement, which requires to be homologated by the Board. Having considered the matter, the Board approved the actions taken by the CEO and Chair. The confidential paper and a copy of this minute will be passed to the SHR.	CEO	28 Feb 2020
d	Correspondence has been received from Elspeth Morrison seeking for her share to be cancelled. The Board approved the cancellation of the share.	DBS	28 Feb 2020
e	In respect of due diligence documentation, John Muir will be used to test the documentation and once any modifications have taken place all Board members will be asked to complete new schedules.	TM	28 Feb 2020
f	The meeting was invited to consider committees and meetings. There are at present relatively few Board members, which makes attendance at a number of meetings more challenging. Following discussion and consideration of various options, the meeting agreed that an Operations Committee should be created and that meetings would alternate between afternoon and evening to accommodate the best attendance.	DBS	28 Feb 2020
g	The CEO invited JM to become a member of the Operations Committee and he readily accepted. PR offered to become a member of the Committee for a short period to assist with Quorum.		
h	Consideration will be given to holding a Board away date after the Easter holiday. Dates will be circulated following the Board meeting.		
i	The meeting noted the contents of the Governance Report.		
12	New and revised policies		
a	The Board were asked, and agreed, to approve the revised Social Media Policy. The revisions arose from discussions at the last Board meeting. The Board approved this policy.		
b	The Board were asked, and agreed subject to one change, to approve the Landlord Health & Safety Policies. The policies are due for cyclical review.	DFA	28 Feb 2020

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	The amendment agreed was that Corgi is changed to Gas Safe. The Board approved this.		
13	Care home inspection		
a	The Board congratulated the Executive, in particular Ann Wood, on the outcome achieved in the Marian House Inspection Report and asked that the staff be congratulated.		
15	Performance report		
a	The Board noted the performance report, which has shown considerable improvement over recent quarters and now shows VHA in a much better position overall.		
b	The Board noted the Annual Assurance Improvement Plan and agreed that it should be appended to the quarterly performance report.	CEO	Apr 2020
14	Any Other Competent Business		
a	No further competent business was raised.		
15	Date of next meeting		
a	The next meeting will take place at 5:30pm on 10 <sup>th</sup> March 2020 at Head Office.		

The meeting closed at 8:00pm.

#### **Approval of the minutes**

Signed as a true record of the meeting, following the approval of the draft minutes by a meeting of the Board.

Signed:

Date:

Iain Thompson, Chair