

## Board Meeting

Minutes of the meeting of the Board  
at 5:30pm on **26 June 2023**

**Report to Board**  
**Meeting No: 23/05**  
**Date: 8 August 2023**  
**Agenda No: 1.a.**

### Board Members

Mr I Thompson (Chair)	Ms K Kennedy (KK) (virtual)	Ms C Lumsden (CL) (virtual)
Mr D McIntosh (DM)	Mr T Roehricht (TR)	Ms P Russell (PR)
Mr S Robertson (SR) (virtual)	Mr L Parry (LP) (virtual)	
(from item 3 onwards)		
██████████ – OBSERVER		

### Attending

Jean Gray, Chief Executive Officer (CEO)	Howard Vaughan, Director of Finance & Business Support (DFBS)
Tom Hailey, Director of Assets (DA)	Esther Wilson, Director of Housing and Care (DHC)
	Lynne Feeney, Business Support Administrator (BSA) (minute taker)

### Apologies received

Mr S R McIvor (RM)	Mr J Clyne (JC)
--------------------	-----------------

### Minutes

Item	Subject	Action	Due Date
01	Welcome		
a	There being a quorum present, the Chair welcomed all and opened the meeting. For the benefit of the guests, everyone introduced themselves. The Board welcomed ██████████ who is observing with a view to joining the Board.		
b	There were no conflicts of interest noted other than those presently on record.		
02a	Minutes of previous meetings and matters arising		
a	The minutes of the meeting on 9 May 2023 were reviewed and <b>the Board approved them as an accurate record.</b>		
02b	Matters arising and outstanding actions		
	Outstanding Actions Log		
a	All actions were on agenda today and will be reviewed to close apart from 189 which will come to the August Board meeting.	CEO	08.08.23
b	There were no other matters arising which were not on today's agenda.		

Item	Subject	Action	Due Date
02c	Operations Committee Update (verbal)		
a	PR reported on the Ops meeting held on 30 May 2023.		
	Although not on the agenda for that meeting or this, PR expressed her desire to recruit more members to the Ops Committee as membership numbers are low. Day and time of the meetings may change going forward as Thursdays are not always most suitable for PR.		
	It had been a good meeting. The Committee received and reviewed 11 policies, 8 of which were H&S policies, we now have a full suite of H&S policies.		
	The Committee received its second Operations Report which was very informative and comprehensive.		
	There had been a Care Inspectorate inspection at St Raphael's which had been very favourable.		
	It had been noted that Voids were going in the right direction.		
	ARC – the Annual Return on the Charter – for the benefit of JG, PR explained that this was a Return we prepare for the Housing Regulator. The Committee had considered this, and after some discussion, had approved the Return for submission on 31 May 2023.		
	Customer Care Standards – we still need to have discussions in-house with staff on these, but some minor changes proposed by the staff group were accepted and approved, and DHC confirmed that the Tenant's Group were happy with the outcome.		
	Tenant Participation Annual Report – noted that most of the actions had been achieved, and those which had not, were now carried forward into this year.		
	Procurement Report – Committee pleased to see this and noted that staff would look at ways of improving the presentation of the report.		
	Continuous Improvement Plan – there has been great progress on this, many of the actions have been completed, and the few which have not are in progress now.		
	Health and Safety – the Health and Safety Advisor has done a great job, and produced very succinct reports. The Landlord's H&S Report – we have made good progress in areas of compliance.		
	Fire Risk Assessments – all actions are now planned, with urgent actions having already been completed.		
	HR – HR are implementing the new Sage HR module which will facilitate more detailed reporting.		
	<b>The Board noted the verbal update.</b>		



Item	Subject	Action	Due Date
03.a.	Financial Papers		
	<u>Management Accounts for 2 months to 31 May 2023</u> <p>The DFBS presented the management accounts for the 2 months to 31 May 2023.</p> <p>The overall position for the period is good, and it was noted that void loss income continues to improve, now under 3%.</p> <p>Planned Maintenance – it is quite early in the year to establish patterns but this will be a focus in coming months.</p> <p>Care Home occupancy – DFBS pointed out that while overall turnover is down on budget, it is different for each home.</p> <p>Financial assessments are carried out prior to someone taking a place in the care home, usually to ascertain two year's funding available. (It was later noted that it was quite standard to use two years as a measure for financial assessments within our sector).</p> <p>When residents' private funding runs out, the local authority then funds the place. DHC reported that the HC is putting in place some new measures in respect of financial assessments for new residents.</p> <p>There was some discussion around staff costs and the staff turnover ratio – while some of this can be explained by the closure of Lennox House, there has still been significant staff turnover at Head Office. This will be kept under review.</p>		
03.b.	Five Year Financial Plan Return Final 2022/23		
	<p>The DFBS highlighted the adjustments made since the draft version of the Return presented at the May 2023 Board meeting e.g. updated opening Statement of Financial Position (Balance Sheet) in line with the closing 31 March 2023 draft statutory accounts together with the adjustment to interest payable on the CAF Bank loan as a result of this now being on variable rate interest.</p> <p>The sales proceeds from Lennox House are not included at this stage.</p>		
03.c.	Loan Portfolio Return 2022/23		
	<p>Loan Portfolio – given we only have the one, CAF Bank loan this submission is relatively straightforward and will be submitted to the SHR by 30 June 2023 deadline, signed off by the Chair.</p> <p>The DFBS will look at the loan calculations and report back to the Board about how they are calculated.</p> <p><b>NB:</b> Post meeting email from DFBS on 28/06/23 –</p> <p>Interest Cover Covenant calculation within the Loan Portfolio Annual Return 2022-23 - further explanation as follows:-</p>		

Item	Subject	Action	Due Date
------	---------	--------	----------

The calculation shows how much cover an organisation has between its surplus and the net interest it has to pay on its loans. For most organisations it is likely that this would be net interest *payable* however because Viewpoint has low debt (c£3m) on the CAF Bank loan we actually have net interest *receivable* given we also have more being received on our c£3m RBC Brewin Dolphin investments and our other c£3m bank deposits.

Under our CAF Bank covenant we are allowed to add back any depreciation so we arrive at an adjusted surplus for the year of £866,990.

Our net interest receivable is -£8,177 (interest payable of £146,561 less interest receivable of £154,737).

So if we then divide the surplus of £866,990 by the net interest receivable of -£8,177 we get -106.3 which as a percentage is then -10,603% - the figure in the return.

In summary then a negative figure is a good thing and ours is a very large negative.

Please note the calculation:-

<b>Operating Surplus to Net Interest</b>	At March 2023
	Year
	Actuals
	£,000
Operating Surplus	(359,901)
<b>Add Back:</b>	
Property Depreciation (Housing)	998,311
Property Depreciation (Care Homes)	228,581
	<u>1,226,892</u>
	<u>866,990</u>
Interest Payable	146,561
Interest Receivable	154,737
Net Interest Payable	<u>-8,177</u>
<b>Actual Operating Surplus to Net Interest</b>	<b><u>-106.03</u></b>
	<b>-10,603%</b>

- **The Board approved the Management Accounts for the period ended 31 May 2023.**
- **The Board noted the changes to the final FYFP Return submission.**
- **The Board approved the LPS Return submission for 30 June 2023 deadline and delegated authority to the Chair to submit this.**

Chair 30.06.23

#### 04 Risk Register

The Risk Register is presented to FRAC quarterly and to the Board on a bi-annual basis.

Table 1 in the paper showed the areas where there had been changes to the risk in quarter 4. The Board noted that the IT Working Group had been set up and had its first meeting. The Board look forward to further updates regarding the working group and their proposed actions.



Item	Subject	Action	Due Date
	<p>It was noted that the fixed term for the Gazprom gas contract expires on 30 September 2023 but that has now been extended to September 2025, fixed at May 2021 prices.</p> <p>It was agreed that we will need to start planning how to communicate to our tenants the potential impact on their service charges once the fixed rates expire. Also for those tenants who pay their own utility bills the impact of the cessation of government subsidies will be withdrawn so we will need to support them in terms of energy use education.</p> <p><b>The Board approved the current Risk Register unanimously.</b></p>		
05	Strategic Objectives 2023/24		
	<p>The CEO presented this document to the Board, with Executive Team providing an overview in their areas. This sets out our strategic objectives for this year.</p> <p>This presentation will be uploaded to Convene and Board members notified when this is done.</p> <p>The Internal Management Plan (IMP) will be presented to the Board on a quarterly basis which will outline detailed progress against these Strategic Objectives. The Strategic Objectives remain aligned with our current 2022-25 Business Plan. Members appreciated the work that had gone into updating this document.</p> <p>Within the People section of the Strategic Objectives there was emphasis on how we prepare for the future in terms of the Board itself – we have capacity to co-opt people now – how we develop Board members, how we develop skills among existing staff to encourage progression in the organisation.</p> <p>There was mention of apprenticeships and agreed we should be considering these.</p> <p><b>The Board approved the Strategic Objectives for 2023/24.</b></p>	DFBS	30.06.23
06.a	Q4 Performance Report		
	<p>The DFBS presented this report.</p> <p>There was some concern over the level of staff turnover, some of which was related to staffing in the Care Homes, but it does also relate to office staff. This is possibly still related to the pandemic in that staff are now more likely to move.</p> <p>Rent Arrears – it was noted that recent staffing changes have made an impact on these as we now have more staff in place dealing with these at an earlier stage.</p> <p><b>The Board noted the Report.</b></p>		
06.b	Final 2022/23 ARC Return Submission		
	<p>DFBS said that the ARC Return had been submitted after being scrutinised in detail by the Ops Committee.</p>		

Item	Subject	Action	Due Date
------	---------	--------	----------

**The Board noted the Final 2022/23 ARC Return Submission.**

07 KPI Targets for 2023/24

DFBS explained that, in most cases, where we did not achieve the target in 2022-23, we have retained the previous target for 2023-24. Where targets were exceeded these have been stretched further for this new year.

The lessons learned target in Complaints has been removed. In future we will provide a flavour of the complaints and lessons learned to the Ops Committee.

There was some information missing in the report and some items e.g. cost per void which require checking. A revised copy of the report will be placed on Convene post meeting.

DFBS 29.06.23

The DA clarified the target figure of 60 days for relets – this is a stretch target with the two previous year's actual results being heavily impacted by the pandemic. The pre pandemic target was 40 days so this is a challenging target to eventually get us back to a more normal turnaround time.

With regard to the percentage of tenancy offers refused, the DHC confirmed that this was an administrative point, as an offer was not usually made until we were quite certain that the person would take up the tenancy. We do however try to gauge why people do not wish to take up a tenancy.

**The Board approved the KPI Targets for 2023/24 – subject to the changes being confirmed.**

**[Post Board note - updated KPI Target for 2023/24 was uploaded to Convene on 30 June 2023]**

08 CEO Update Report

The BSA left the meeting at this point.

The CEO highlighted the issue of increasing annual leave. This had arisen following the earlier Organisational Design work carried out by Dorothy McKinney Limited.

The Joint Consultative Committee had consulted staff on a proposal to increase annual leave for all staff to 40 days per annum which staff had voted for.

To date we have not been able to implement this due to financial constraints but the CEO Report outlined a compromise proposal whereby a two tiered approach be implemented from 1 April 2024;

- All staff currently on 35 days would be increased to 38 days annual leave
- All staff currently on 38 days would be increased to 40 days annual leave



Item	Subject	Action	Due Date
	<ul style="list-style-type: none"> <li>All staff currently on 40 days would remain on 40 days annual leave.</li> </ul> <p>The cost of this proposal would be c£36.5k per annum and would be included in the draft 2023-24 Budget.</p> <p>There was discussion around possible alternatives e.g. single tier (all staff being increased to 40 days from 1 April 2024), moving all staff up by 1 day per year until each member reached the 40 day limit. Each of these options had been considered by the Executive Team but the proposal put forward was considered to be the most favoured,</p> <p>DM asked if the issue was the cost or actually covering the additional leave. CEO intimated that it would be difficult to cover the hours lost without the need to bring in expensive agency staff particularly in the care homes but there would also be a gap covering housing co-ordinators.</p> <p>SR also pointed out that there would be unintended consequences, for example with staff getting more holidays it would be more problematic to fit in the required staff training.</p> <p>KK asked about holiday buy/sell back and it was confirmed that staff could sell back up to 2 weeks and it was felt that in many cases care home staff in particular would rather have the additional money rather than the holidays so the issue of cover may not be as great as expected.</p> <p>DM felt that the overall cost was not sufficiently prohibitive that we could not implement the proposed change in the current year however CEO expressed concerns around the possibility of changes to carer rates from Scottish Government (and knock on impact on wage differentials), the continued uncertainty surrounding the National Care Home Contract rate and other market variable casting uncertainty around our financial position for the remainder of the financial year.</p> <p><b>Accordingly the Board agreed that they would like to review this proposal again at the August 2023 Board meeting in conjunction with the Q1 reforecast which will be available at that time.</b></p> <p>The BSA returned to the meeting at this point.</p> <p>There was discussion about the proposed sale of Lennox House and Savills having been appointed as selling agents. The DA said that there was significant interest in the property from several parties.</p> <p><b>The Board noted the contents of the CEO Report.</b></p>		
09	Governance Report		
	<p>DFBS highlighted the appointment of RGDP LLP as covered in the CEO Report, and also confirmed with regard to the application for membership made at the last meeting, that it was indeed a single application.</p> <p>With regard to the application for membership made to this meeting, which the Board approved, the Chair noted that he knew the person and that he would write to them to see if they would be interested in joining the Board.</p> <p>Training and Conferences – Board members can access the SFHA website to find out further details on courses. The Chair will send round the details of this to all Board members. The CEO would</p>	<p>Chair</p> <p>Chair</p>	<p></p> <p>29.06.23</p>

Item	Subject	Action	Due Date
	<p>recommend the Environmental, Social &amp; Governance Conference, particularly if we are looking for new funding in the future.</p> <p>Preparation for the AGM – the 2023 AGM will take place on 19 September. It was agreed that we would allow members to attend the meeting virtually if required.</p> <p><b>The Board:-</b></p> <ul style="list-style-type: none"> <li>• <b>Noted that the previous application for membership was a single application</b></li> <li>• <b>Approved the new application for membership</b></li> <li>• <b>Approved the format of the AGM, and to include the option for members to attend remotely</b></li> <li>• <b>Noted the report.</b></li> </ul>		
10	Write Off Report		
	<p>The DHC presented this report, stating she had added some information about the bad debt provision process. In response to a query about write offs showing in the P &amp; L account, DFBS clarified that the figure shown there includes current provisions and that the amount to be written off could have been provided for in previous years.</p> <p><b>The Board approved the write off figure of £17,422.13 and noted the write-off cases approved by the DHC at Appendix 1.</b></p>		
11	AOCB		
	<p>Compensation payment to tenant – DA seeking Board approval to make an ex gratia payment to a tenant whose tenancy has been affected by a recurring roof leak. This recurring problem meant that the tenant had three months in their property while the roof was leaking and repairs were being carried out, then a further three months while they were decanted to a hotel to enable further roof repairs to be carried out. The recommended compensation payment is considered a reasonable amount in light of the level of disruption and loss of amenity and use of the tenant's home during the period of leaks and remedial works.</p> <p>This is a total of [REDACTED] which requires Board approval in line with our Compensation Policy.</p> <p><b>The Board noted the situation, and approved the payment.</b></p> <p>The BSA left the meeting at 7.25pm.</p>		
	Date of next meeting		
	<p>The next Board Meeting will take place on Tuesday 8 August 2023 at 5.30pm in Viewpoint HQ.</p>		



The formal meeting closed at 7.30pm.

**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:

A black rectangular box redacting the signature of the Chair.

Date: 8 August 23

Iain Thompson, Chair

