



KINGDOM

Housing Association

Board of Management Minutes

Date of Meeting: 20 April 2020

Please note that these minutes have been edited to remove any commercially sensitive or confidential discussions.

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HAPPY TO TRANSLATE

KINGDOM HOUSING ASSOCIATION (KHA) LIMITED

MINUTES OF THE BOARD OF MANAGEMENT MEETING

HELD ON MONDAY 20 APRIL 2020

AT 5.30 PM

VIA VIDEO CONFERENCING

PRESENT:	Tom Barr	Laurie Naumann
	Laura Brotherton	Charles Oliver
	Freya Lees (Chair)	David Redpath
	Linda Leslie	Guy Thomson
	Graeme MacKay	Carol Watson
	Loretta Mordi	
IN ATTENDANCE:	Bill Banks	Andrew Latto
	Calum Kippen	Nick Pollard
	Scott Kirkpatrick	

Freya welcomed everyone to the first virtual meeting Kingdom Housing Association had held. The virtual meeting was necessary due to the social distancing measures as a result of the Coronavirus.

Freya outlined the following protocol for the meeting;

- After reports had been presented, she would ask if anyone had any questions, if a Board member had a question they were advised to say their name or raise their hand.
- This would allow people to come into the conversation in an orderly fashion
- Board members were reminded to mute their microphones when they were not talking.
- Board members were asked to speak slowly, clearly and close to their device.
- If Board members couldn't hear all that is being said, they should wait until the person is finished and say their name to come in and highlight this to the chair and she would summaries.

Freya advised that questions have been submitted pre meeting and confirmed responses have been provided, copies are available in Admincontrol. They are attached as appendix A of these minutes

As this would be Nick Pollard's last meeting, Freya thanked Nick on behalf of the Board for his service to Kingdom and wished him well in his future career.

ACTION BY

1. **APOLOGIES**

Freya welcomed Graeme Mackay back from his leave of absence.

Iain Connelly has indicated that he would be unable to attend virtual meetings. The Board **granted a leave of absence** for Iain until Board meetings can be held face to face again. The initial leave of absence will be for 3 months that can be reduced or extended based on the Coronavirus situation.

Calum

Stephen Swan is on special leave of absence. The Board **granted** an extension to the Board meeting in June due to Stephen's employment contract with Fairfield being extended.

Calum

2. **DECLARATION OF INTEREST**

Freya highlighted that Board members may have an association or working relationship with other organisations that work in partnership with Kingdom and whilst this may not be a direct conflict of interest the relationship should be declared as a standard declaration. It was noted that if Board members are in doubt about what to declare speak to Bill or Calum.

Board Members

The Board reviewed and **approved** the proposed treatments below;

Agenda Item 9, Chief Executive Report, Section 3.1 - Board Directors of KSC

The Board **noted** that Linda Leslie is a Board member of KSC. It was **agreed** that Linda could remain at the meeting while this item is being presented, however will not participate in any decision taken.

Agenda Item 9, Chief Executive Report, Section 3.8 – Legal Services Framework

Guy Thompson declared an interest in Thortnton Law due to a family member being employed by them.

Charles Oliver declared an interest in Addleshaw Goddard due to a family member being employed by them.

Graeme Mackay declared an interest in Pinsent Mason due to a family member being employed by them.

Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.

3. **TO APPROVE THE MINUTES OF THE BOARD OF MANAGEMENT MEETING**

HELD ON 16 MARCH 2020

The minutes were **approved** by Laura Brotherton and **seconded** by Carol Watson.

4. **MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 16 MARCH 2020**

Agenda Item 8, Chief Executive, Bill Banks

Minute: Bill to check our rules and establish if the standing orders allow the Vice Chair to use emergency powers, in the absence of the Chair. If this is not included at this stage, the Board agreed it should be recognised in the amendment to the standing orders.

Update: Confirmed that no amendment was required the vice Chair or in his or her absence two Board members can approve using emergency powers.

All other items are concluded or covered in the papers.

5. **TO RECEIVE A VERBAL UPDATE FROM AUDIT & FINANCIAL COMPLIANCE (A&FC) SUB COMMITTEE MEETING HELD ON 20 APRIL 2020**

Guy, as the chair of the A&FC sub committee provided the Board with a verbal updated from the meeting held earlier in the day.

Guy highlighted that the following was discussed;

- RSM external audit scope and plan
- MHA Henderson Loggie - Internal Audit Follow Up Progress Report
- MHA Henderson Loggie - Draft Audit Needs Analysis and Strategic Plan 2020-2023 & Draft Internal Audit Programme
- Director of Finance report – all the information contained within this report is presented to the Board at agenda item 7 of this meeting.
- The role of the A&FC Sub Committee in respect of subsidiary company annual accounts. It was **agreed** that the Sub Committee would not recommend the Subsidiary accounts to the Board(s) and assurance should be obtained from RSM as the external auditors.

A copy of the minutes from the meeting will be presented to the Board in May.

6. **DEVELOPMENT REPORT**

Scott presented the report. There were no items for specific approval.

The Board wanted clarification that Nairn Street was no longer part of the Capital Investment plan, Scott confirmed Springfield have withdrawn from this site at the moment.

The report and appendices were **noted** by the Board.

7. FINANCE REPORT

Nick presented the report.

1. Accounting policies 2019-20

Following a minor amendment by the A&FC sub committee to remove reference to other subsidiary of KI, the Board accepted the recommendation of the A&FC sub committee to **approve** the accounting policies for the production of the 2019-20 statutory accounts. Nick

2. Impairment Report 2019-20

The Board approved the recommendation of the A&FC sub committee that impairment has not occurred during the 2019-20 period and at the prospective date of the SOFP and that no reflection of that is required in the financial statements. Nick

3. Going Concern Report 2019-20

The Board approved the recommendation of the A&FC sub committee that the KHA Group of companies is a “going concern” for the purposes of the production of statutory financial statements. Nick

4. Statement on Internal Financial Controls & Auditors Report on Corporate Governance 2019-20

The Board approved the recommendation of the A&FC sub committee that officers and the external auditors should draft the accounts with a view to complying with the SHR guidance issued September 2014 on SIFC and ARCGM and insert specific statements in that respect. Nick

5. Financial Year end timetable and guidance 2019-20

The Board approved the recommendation of the A&FC sub committee to note and approve the financial year end timetables and key gateways in the year end external audit process. Nick

6. 2019-20 RSM External Audit Plan

The Board approved the recommendation of the A&FC sub committee regarding the external audit scope and external audit plan proposal of RSM for the Kingdom group of companies for 2019-20.

Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.

7. Lloyds Banking Group (LBG) Revolving Credit Facility (RCF)

Nick advised the Board that LBG had amended the Sanctions section within the Loan agreement to only cover non executive and executive Directors and not all staff. Based on agreeing that change the Board approved the LBG RCF Loan Amendment and Restatement Agreement, extract minute and officers certificate and authorisation.

The Board also granted delegated authority to the Chief Executive and/or the Director of Finance and Digital for their execution. Nick / Bill

The Board noted the updates provided as part of section B.

8. **CORPORATE PLAN 2020 – 2025 REPORT**

Bill presented the report.

The Board considered and approved;

- The full Corporate Plan and Strategies;
- The Financial Plans for KHA, KI and KSC.

The Board granted delegated authority to the Chief Executive to incorporate any non material amendments, following the final review by the Management Team. Bill

The Board noted the Corporate Plan has been prepared during the current Coronavirus pandemic and this may impact on delivery of the strategy. The plan assumes a business as usual approach and the impact on the corporate plan will be monitored throughout the year

9. **CHIEF EXECUTIVE REPORT**

Bill presented the report.

Section A – Items for Specific Approval and Consideration / Discussion

2.1 – Delegated Authority and Reserved Powers

Bill advised that full details are given in appendix B of the report.

The Board **noted** and **agreed** the report.

2.2 – Management Business Continuity Arrangements

The Board **considered** and **noted** the report.

2.3 – Electronic Decisions and Decisions through Delegated Authority

Bill explained that the report summarises the electronic decisions taken by the Board and any decisions taken through delegated authority during the emergency measures put in place due to the Coronavirus. They are summarised below;

- Emergency measures granting delegated authority to the Chief Executive (approved).
- Coronavirus Support Assistance Fund (agreement in principle).
- Job Retention Scheme (agreement on all 3 proposals in the report).
- Annual Bus Tour (cancelled).
- Repairs services moving to Emergency and Urgent only (delegated authority).

The Board **noted** the report and **ratified** the decisions.

2.4 – Coronavirus

Bill highlighted that the report identifies the high level arrangements for keeping the Board up to date on the current situation. Weekly update reports are also issued to the Board and the Board members expressed a desire to continue to receive those.

Bill

The Board **considered** and **noted** the report.

2.5 – SHR Updates

The Board **considered** and **noted** the report.

Annual Return on the Charter

The Board felt it was appropriate to postpone full validation of the ARC until next year due to the ongoing Coronavirus pandemic

Bill

2.6 – Covid-19 Employee Support Loan Policy

Bill advised that we have identified a proposal for an Employee Loan policy due to financial hardship some staff may face due to Coronavirus. The policy has been proposed to allow us to support staff who may be experiencing financial difficulties in their households as Kingdom staff should not be directly affected as all staff are currently receiving full pay.

The Board **considered** the **approved** the policy.

2.7 – Coronavirus Financial Assistance Fund

The Board **approved** the creation of the Coronavirus Financial Assistance Fund.

The Board discussed funding and whether some of the money could be off set with the Community Initiatives Fund. The Board felt that the

Community Initiatives Fund would be needed now more than ever and the fund could help many groups in our local areas of operation in need during this crisis. **Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.**

The Board **approved delegated authority** to the Chief Executive and the Management Team to promote and administer the fund in accordance with the approved proposal.

2.8 – Key Performance Indicators

Bill highlighted that like the Corporate Plan these have been produced at this stage on the basis of business as usual and updates with any proposed amendments would be presented as part of the Chief Executive quarterly performance updates.

The targets presented for 2020/21 were considered and **approved**.

Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.

2.10 – Staff Volunteering

Bill explained that it has been operating for over a week now and we are getting really positive feedback from both tenants and staff.

The Board **noted** the information provided in the appendix and **confirmed support** for the initiative.

2.11 – Flexible Retirement

The Board were **supportive** of developing this policy. It was highlighted that consideration should be given to someone taking flexible retirement could act in a mentoring/coaching role for an individual or group to share knowledge before they retire.

Andrew

2.12 – Pension Salary Sacrifice

The Board **approved** giving employees the ability to make a salary sacrifice to supplement their pension contributions.

Andrew

The Board **approved** adding the resultant savings to the employee's pension contributions.

2.13 – Working from Home Expenses

Bill highlighted that a payment for staff working from home is not a

Andrew

requirement, however we will achieve some savings from our offices being closed and staff will incur additional household costs through working from home. It was also acknowledged that some staff will save some money through not travelling to work, however this varies across the organisation. Bill explained that different options exist as he outlined in the report and variations could be applied, however other options would involve more administration.

HMRC have recognised the additional costs of working from home and allow employers to pay staff up to £6 per week, from 6 April 2020, tax free and without the need to keep records.

The Board **approved** option 3 to pay the HMRC rate (pro rata) to all staff working from home.

Section B – Highlighted items, including areas for noting

Bill advised that the information in section B is highlighted for update.

3.1 – Kingdom Support & Care (KSC) update

The Board **noted** the update and minutes.

3.2 – Kingdom Initiatives update

The Board **noted** the update.

3.3 - Board Member Focus Groups

The Board **noted** the update.

3.4 – June Project Tours

The Board **noted** the update.

3.5 – Annual meeting with the SHR

The Board **noted** the update.

3.6 – Coronavirus Scotland Bill

The Board **noted** the update.

Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.

3.8 – Legal Services Framework

The Board **noted** the update. Actual or perceived conflicts of interest with some companies appointed to our legal services framework were **noted** from Guy, Charles and Graeme, they will be noted on our register of interests

Calum

3.9 – Climate Change

The Board **noted** the update.

3.10 – Innovation Priorities

The Board **noted** the update.

3.11 – Chief Executives Compliance and Assurance Audits

The Board **noted** the update.

3.12 - University of St Andrews (UoSA)

The Board **noted** the update.

3.13 - NHT Properties, Crail

The Board **noted** the update and the agreed lease was **noted**.

Section C of the report was **noted**.

Section D of the report was **noted**.

Section E – Corporate Governance Report

Bill advised that Section E is the Governance update for information and update.

All items within this section were **noted** by the Board.

Bill provided an update from the paper that the SHR had closed the notifiable event in regards to the resignation of Nick Pollard, Director of Finance and Digital and our appointment of a new Finance Director; Ken Tudhope.

10. CONFIDENTIAL ITEMS

Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive.

11. ANY OTHER BUSINESS

None identified.

12. **DATE OF NEXT MEETING**

Monday 18 May 2020

5.30 pm - KHA Board meeting

Signed _____
Chair

Signed _____
Secretary

ITEMS CARRIED FORWARD

Date of Meeting	Minute Ref.	Item	Scheduled Meeting Date
20 August 2018	11	Management Salary, Terms & Conditions Benchmarking Review	August 2023 (or earlier if required)
20 April 2020	9	ARC - The Board asked that in the future an external validation exercise is carried out every year; previously validation exercises were carried out every 2-3 years. Update: Due to the Coronavirus a full validation will be postponed until 2021.	May 2021
17 February 2020	7	It was agreed a more comprehensive strategic management structure review should be carried out during 2020. It was agreed Bill should commence this during the summer of 2020.	August 2020