

Board of Management Minutes

Date of Meeting: 15 June 2020

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KINGDOM HOUSING ASSOCIATION (KHA) LIMITED

MINUTES OF THE BOARD OF MANAGEMENT MEETING

HELD ON MONDAY 15 JUNE 2020

AT 5.30 PM

VIA VIDEO CONFERENCING

PRESENT: Tom Barr Laurie Naumann
Laura Brotherton David Redpath
Freya Lees (Chair) Stephen Swan
Linda Leslie Guy Thomson
Loretta Mordi (*agenda item 7 onwards*)

ABSENT: Charles Oliver

IN ATTENDANCE: Bill Banks Andrew Latto
Matthew Busher Lesley Proudfoot
Gary Haldane Alan Simpson
Tracey Jordan

Freya welcomed everyone to the virtual meeting and reminded everyone of the protocol for the meeting.

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.

Freya welcomed Stephen Swan back from his leave of absence.

1. APOLOGIES

Graeme McKay and Carol Watson.

Freya advised that Iain has resigned for personal reasons and from his roles with KHA and KI.

The Board noted that Iain has said he will concentrate on the creative things that he enjoys and he has no doubt KHA and its subsidiaries will go from strength to strength. Iain confirmed he has enjoyed his time with Kingdom and wished everyone the best for the future.

Freya commented that she was sure that everyone would agree that Iain has been an excellent Board member and has made a valuable contribution to the achievements over the years; he will be greatly missed.

ACTION BY

The Board noted that Iain's departure leaves a vacancy for a KHA Board member on the KI Board. Freya commented that at any other business we can discuss filling this role and you can have some time to think about it.

All

Freya advised that she will be holding an exit interview with Iain in the near future.

The Board noted that as per our Gifts & Hospitality Policy, if someone has been on the Board for more than 3 years they can nominate a charity donation of £50.00 and Iain has confirmed he would like his donation to be made to the British Deaf Association and this will be progressed.

Lesley

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 8, Chief Executive Report, - 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 , Confidential Items

The Board **agreed** that all staff apart from Bill Banks will be excused from the meeting whilst these items are being presented.

3. **TO APPROVE THE MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 18 MAY 2020**

The minutes were **approved** by Laurie Naumann and **seconded** by Laura Brotherton.

4. **MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 18 MAY 2020**

The Board noted that all items are concluded or covered in the papers.

5. **ANNUAL RETURN ON THE CHARTER (ARC) REPORT**

Bill presented the report.

Bill explained that the report provides a summary of the ARC return for this year and additional information has been provided in the responses to the questions submitted before the Board meeting.

It was noted that full details have been provided in the report and the appendix. Bill highlighted the following areas;

- We previously agreed to submit the return without external validation this year rather than hold it up, however it has been possible to arrange a remote validation and this will be carried out later this week.
- The return confirms an improvement in many satisfaction levels compared to last year.
- Where there has been a reduction in performance the reasons have been provided in the report.

The Board **approved** the submission to the SHR and **approved** delegated authority to make any non material amendments to the return following the validation.

Bill

6. **DIGITAL REPORT**

Gary presented the report.

The Board **noted** the report.

7. **HR SERVICES REPORT**

Andrew presented the report.

3.1 – Employment Metrics

Andrew highlighted the improvement in staff engagement where the current average score of 9.14 out of 10 is a significant increase from the previous score of 8.03 out of 10. The Board noted that Kingdom's response as an employer to COVID-19 is believed to have had a positive influence on employee engagement.

HR Services Supplementary Report

The supplementary report provided as item 7A was presented by Andrew and discussed by the Board.

Andrew explained that Section 2.1 of the HR Services Report for June outlines the changes to the Job Retention Scheme and at the time of preparing the report anticipated the expected changes; however they had not been confirmed.

The Board noted that the changes to the furlough arrangements have now been confirmed and are outlined in the report.

After discussion the Board **noted** the forthcoming changes to the furlough scheme and potential implications for Kingdom, as provided in item 7 report section 2.1.

The Board noted the report and **agreed** that staff furloughed during the period to the end of October should continue to be paid at 100% salary costs.

The Board also **approved delegated authority** to the Chief Executive to continue the Job Retention Scheme and implement the proposals to meet the business.

The supplementary report (7A) was **noted**.

8. **CHIEF EXECUTIVE AND CORPORATE GOVERNANCE REPORT**

Bill presented the report.

Section A – Items for Specific Approval and Consideration / Discussion

2.1 – Delegated Authority and Reserved Powers

The Board **approved** the following disposals:

- SUDS Pond at Toll Road, Guardbridge, Fife to Scottish Water for nil value (£0),
- SUDS Pond at Willowbank Brae, Dunfermline, Fife to Scottish Water for nil value (£0).

Bill confirmed that Scottish Water will adopt the Suds Ponds and maintain these.

2.2 – Electronic Decisions and Decisions through Delegated Authority

The Board **noted** the report and **ratified** the approvals under delegated authority contained in the report and appendix B.

In addition to the approvals identified in appendix B, the Board **noted** the further details on the staff who have been placed on the Furlough Scheme has been provided as part of the weekly updates and the HR report this month.

2.3 - SHR Financial Return Submission Dates and Budget Update

The Board noted that we have undertaken a review of the budget for this year to identify the initial impact of Coronavirus on our Finances.

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

Bill explained that the impact on this year's budget is larger due to the increase in voids and potential bad debt assumptions.

Bill highlighted that the delay in the development programme has resulted in income shifting from this year to next year, therefore this is not a loss in income, however it impacts on this year's budget, with the income being deferred until next year.

The Board discussed the report and sought clarification on various points from Bill & Tracey, which were provided.

The Board **noted** and **approved** the revised budget for 2020/21, with a further review to be undertaken in September.

2.4 – Development Opportunity

Bill explained that a development opportunity is being pursued in relation to 3 new homes in Markinch available through Persimmon Homes.

The Board noted that the normal viability assessment has been done and the funding submission is expected to be approved this week by the Scottish Government, with the purchase at the end of June.

Bill advised that it is the intention to purchase as MMR properties and lease to KI.

Matthew confirmed that he was very comfortable with demand across Glenrothes and Dunfermline areas and would not see an issue letting these properties.

Steven sought assurance that the quality control and inspection procedures would be applied pre and post purchase and Bill confirmed the normal processes would be applied and we would not be compromising our quality standards, however the design and specification was the private sector spec rather than Kingdoms normal design criteria.

Laurie asked if other opportunities might also come forward and Bill confirmed that it was very likely that this would happen however it would largely depend on the demand response in the private market.

Subject to concluding the purchase from the developer, the Board **approved** the lease arrangement from KHA to KI and **delegated authority** was granted to the Chief Executive to agree the terms of the lease, based on the standard template, between KHA & KI, for the properties to be used for MMR.

Bill

Section B – Highlighted items, including areas for noting

Bill advised that various updates have been provided in Section B and highlighted the following;

- We have been working on Return to Office Working Plans; however it will be many months before previous office working arrangements return.
- There has been a high demand for the Coronavirus Assistance Fund. Since producing the report the number of approved submissions has increased to 90 with an average award of £231.
- Regarding the use of electronic signatures for tenancy agreements, there will be a risk however although technically the tenancy agreement requires a wet signature, there is no legal penalty for non compliance. We are still waiting on legal confirmation of the position however based on the feedback to date; we have assessed it as low risk and would propose to continue with electronic signatures unless the Board feel we should not.

Discussion took place regarding the use of electronic signatures for tenancy agreements and it was agreed that Matthew would contact the SFHA to ask them to lobby this change with the Government for SST's.

Matthew

After a full discussion on the benefits and risks associated with the use of electronic signatures for tenancy agreements, it was **agreed**, subject to obtaining written feedback from the solicitors and a satisfactory risk assessment, that we should use electronic signatures where required. If sufficient assurance is not provided we should revert to wet signatures until the legal position is resolved.

Matthew

3.1 – Management Business Continuity Arrangements

The Board **noted** the update.

3.2 – Coronavirus

Discussion took place on this and the Board advised that they feel the Management Team have everything in hand therefore they are happy to shift to general Covid-19 updates on a monthly basis than weekly basis, therefore Bill will

Bill

include this in his monthly Board report (except July, when a monthly update will need done).

3.3 – SHR Updates

The Board **noted** the update.

3.4 – Scottish Housing Quality Standards - Correction

Alan confirmed the following;

- The new fire safety requirement has an implementation target date of 21 February 2021.
- The electrical amendment comes into force as soon as the change was introduced in April 2020.
- The need to fast track catch up electric testing to meet the new requirement is by March 2021.

The above does not change the original report and recommendation presented last month, it basically changes the end date from February 2021 to March 2021. The Board **noted** the update provided.

3.5 – Allocations (E-signing of Tenancy Agreements)

The Board **noted** the update and discussion in Section B of this report.

3.6 – Kingdom Support and Care (KSC) Update

Linda highlighted a couple of items from the last KSC meeting which was held on 4 June;

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

The Board **noted** the update provided.

3.7 – Kingdom Initiatives Update

The Board **noted** the update.

3.8 - Board Members Focus Groups

The Board **noted** the update.

3.9 – University of St Andrews (UoSA)

The Board **noted** the update.

3.10 – Corporate Plan

The Board **noted** the update.

Section C of the report was noted.

Section D – Quarterly updates

5.1 Quarter 1 Updates

The Board **noted** that quarter one updates for 2020/21 will be provided in August.

Section E – Corporate Governance Report

6.1 - SHR Engagement Plan 2019

The Board **noted** the update.

6.2 - Scottish Housing Regulator (SHR) – Notifiable Events

The Board **noted** the update.

6.3 - Regulatory and Governance publications from Scottish Housing Regulator (SHR) and Office of the Scottish Charity Regulator (OSCR)

The Board **noted** the update.

9. CONFIDENTIAL ITEMS

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

The Board **noted** the update provided.

10. ANY OTHER BUSINESS

Appointment to KI Board

Loretta Mordi volunteered to be a KI Director and the KHA Board **approved** Loretta's appointment as a Director on the Board of Kingdom Initiatives.

All the policies due to be presented in June will now be presented in August.

11. DATE OF NEXT MEETING

Monday 17 August 2020
5.30 pm - KHA Board meeting

POST MEETING NOTE:

Policy Sub Committee

The policy sub committee meeting scheduled for 23 June has been cancelled and re-arranged for Tuesday 4 August 2020 at 5.30 pm; this has been down to delays in updating policies and receiving tenant consultation on policies due to Covid -19.

Calum

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)
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
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
15 June 2020	8 – 2.3	The Board noted and approved the revised budget for 2020/21, with a further review to be undertaken in September.	September 2020