

Board of Management Minutes

Date of Meeting: 16 November 2020

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

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KINGDOM HOUSING ASSOCIATION (KHA) LIMITED

MINUTES OF THE BOARD OF MANAGEMENT MEETING

HELD ON MONDAY 16 NOVEMBER 2020

AT 5.30 PM

VIA VIDEO CONFERENCING

PRESENT: Tom Barr Laurie Naumann
Laura Brotherton Charles Oliver
Freya Lees (Chair) Stephen Swan
Linda Leslie Guy Thomson
Graeme Mackay Carol Watson
Loretta Mordi

IN ATTENDANCE: Bill Banks Alan Simpson
Calum Kippen Ken Tudhope

Freya welcomed everyone to the virtual meeting and commented that we have been using virtual meetings now for 6 months and everyone is familiar with the protocol for these meetings, therefore advised that she did not intend to go through the process.

Freya advised that questions have been submitted pre meeting and confirmed responses have been provided, copies are available in Admincontrol.

1. ELECTION OF THE VICE CHAIR

Freya advised that in accordance with the election of the Vice Chair process previously agreed by the Board; Laurie Naumann and Linda Leslie were duly elected as joint vice Chairs of the Association unopposed.

2. APOLOGIES

David Redpath.

3. 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.

The Board reviewed and approved the proposed treatments below;

Agenda Item 9, 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.

ACTION BY

**Board
Members**

Agenda item 9, Chief Executive Report - Board of Directors of KI

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

Agenda Item 10 - Confidential Items

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

Minute removed due to commercially sensitive information

4. TO APPROVE THE MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 19 OCTOBER 2020

The minutes were **approved** by Laura Brotherton and seconded by Graeme Mackay.

5. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 19 OCTOBER 2020

Minute removed due to commercially sensitive information

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

6. VERBAL UPDATE FROM AUDIT AND FINANCIAL COMPLIANCE MEETING HELD ON 16 NOVEMBER 2020

Guy provided an overview that the following areas were covered;

- Internal audit; 6 recommendations are still outstanding from the Pre 2020/21 audits and they all have a completion date of 31 March 2021. There have also been 3 out of 5 audits scheduled for 2020/21 have been completed.
- Treasury Management Report and conversion of Lloyds loans to a blended fixed rate.
- Draft budget assumptions for 2021/22.
- Q2 KHA Management Accounts to 30 September 2020.
- HMRC - Compliance with IR35 rules effective 6 April 2021.
- Annual accounts - suggested reformat.
- Q2 KI & KSC Management Accounts to 30 September 2020.

7. STAFFING PROPOSALS 2021-22

Bill presented the report. Bill advised that the report has assessed the staffing requirements to meet the needs of the business over the next year and the resources required to pursue our business plan objectives. The proposals have been considered and agreed by the Executive Management Team.

Bill outlined the proposals for Additional Staff Resources for 2021/22 as follows;

- 1 x FTE Estate Inspector,
- 1 x FTE Joiner,
- 1 X FTE Skilled Labourer,
- 1 x FTE Stock Management Assistant,
- 1 x Housing Assistant (Alternative Tenancy Team),
- 1 x FTE Digital Support Officer,
- 1 x FTE Senior Digital Officer/Team Leader.

The posts proposed above were **approved**.

Bill explained that the table below identifies the trainee programme already approved for this year (2020/21) however due to Covid the programme was not progressed;

Department	Post	Trainee Type
Finance	Trainee Finance Officer	Young Person
HR	Trainee HR/Payroll Assistant	Young Person
Housing	Housing Trainee 1	Career pathfinder
Housing	Housing Trainee 2	Career pathfinder

The Board **approved** progressing the trainee programme (2020/21) identified above during 2021/22 and adding the further two trainee posts, as summarised in the table below;

Department	Post	Trainee Type
Development	Trainee Construction Inspector	New Career
Housing	Trainee Customer Accounts Officer	Young Person* (Restricted to people currently living in a Kingdom property as part of a Trainee Initiative)

The Board asked if the legal position of recruiting for a trainee position restricted to just young people had been considered. Bill advised that this had been checked when the trainee programme was initiated but we would confirm with the Board via email following the meeting.

Post meeting note - email to the Board from Andrew Latto, Interim Director of HR
The same question was asked when we first set up the trainee programme. Age is indeed a protected characteristic and the starting point is that restricting applications to certain age groups is unlawful. That said, there is provision in the legislation that it is ok if it can be "objectively justified as a proportionate means of

Bill

achieving a legitimate aim." In this case, the aims are to assist in our succession planning, mitigate the risks associated with our aging workforce (and society) and to provide opportunities for young people who may be unable to pursue careers via a university education, etc (ie it's a means of mitigating the barriers faced by young people from less affluent families). We ran that argument past Addleshaw Goddard at the time who were very comfortable it would meet the test.

Bill advised that we have three traineeships ending in the summer of 2021. The Board **approved** offering three of those trainees permanent positions;

- Organisational Support Assistant,
- Painter,
- Plumber.

Bill explained that as part of our 2018 trainee intake, we took on trainees in our Customer Accounts Team and our Customer Contact Team. Approximately halfway through the 3 year trainee programme, the former secured a permanent position with Kingdom and the latter left Kingdom for an external role. As a result, we filled both trainee vacancies believing that the remaining 18 months would be sufficient to train new starts. Unfortunately, Covid has had a significant impact on their training so it is proposed to extend those traineeships by a further year to the summer of 2022 to compensate.

In summary, the Board **approved**;

- Continuation of the approved 2020 Trainee programme in 2021,
- Add the further 2 Trainee posts to the 2021 Programme,
- Extend the traineeship for the 2 posts,
- Offer full time posts to the 1 trainee and 2 trades.

8. **FINANCE REPORT**

Ken presented the report;

1.1 - Treasury Management Report

Minute removed due to commercially sensitive information

Bill

1.2 – Budget Assumptions for 2021-22

Minute removed due to commercially sensitive information

The Board **approved** the assumptions adopted in the draft budget, noting the reasons for any diversion from those will be highlighted in the forthcoming budget report.

2.1 - Q2 Management Accounts

Ken outlined the accounts position for KHA. The Board asked for 'other income' in the statement of comprehensive income to be split up and relabelled to better understand what is currently included within this category.

The Board **noted** the management accounts for the 6 months to 30 September 2020.

3.1 - KSC and KI Q2 Management Accounts

The Board **noted** the subsidiary companies' management accounts for the 6 months to 30 September 2020.

9. CHIEF EXECUTIVE REPORT

2.1 - Delegated Authority and Reserved Powers.

The Board noted the update.

2.2 - Electronic Decisions and Decisions through Delegated Authority

It was noted that there have been no electronic approvals over the last month.

2.3 - Cupar Inner Court Development; Landbank Proposal

Bill outlined the landbank purchase proposal and gave a brief overview of the project.

The Board wanted clarification that a desktop site evaluation had been carried out and assurance that due diligence had been undertaken on the site to mitigate against any excessive future costs. Bill confirmed that this had taken place.

The Board **approved** the payment of £300,000 to acquire land and buildings currently owned by Fisher & Donaldson (F&D) at Cupar Town Centre, as outlined in the plan layout in section 1 of the appendix to the report.

2.4 – Working from Home Allowances

Bill outlined the report and presented the following options;

1. Continue to pay the £6 while restrictions apply (pro rata if we return to a blended approach) and review again in the future.

Ken

Ken

Bill

2. Ask staff to claim additional costs (which would need to be demonstrated to ensure we do not provide a benefit that's not evidenced).
3. Make payments voluntary and ask the staff to claim if they feel they are incurring additional costs.
4. Stop direct payments to staff from Kingdom at a given date, and provide information on how staff can claim through HMRC.

Bill

The Board discussed the options and felt the figure was not material and it showed commitment to being an employer of choice, therefore the Board **approved** option 1 and agreed the matter should be reconsidered again at the end March 2021.

2.5 – Procurement Policy

Bill outlined the report and advised the following should be included in an amendment to the Procurement policy;

We recognise that projects vary and different factors should be recognised when determining the most appropriate quality / price ratio to be applied therefore we do not apply a standard ratio and this will be assessed and agreed on a project specific basis. When tenders are issued we will confirm the assessment ratio as part of the tender document. As part of the tender process we reserve the right not to accept the lowest priced, or any tender submitted. We will also consider any abnormally high, or low priced tenders and where there is a 15% variation from the budget cost, we may disqualify the tender.

The Board **approved** the proposed amendment above and granted **delegated authority** to the Chief Executive to introduce the required amendments into our operational processes and procedures.

Bill

The revised programme for both the KHA and Kingdom group strategy day events were **approved** by the Board.

2.8 – Reporting Cycle 2021/22

The Board **approved** the reporting cycle on behalf of KHA.

2.9 – Homelessness Prevention Fund

Bill advised that in partnership with Fife Housing Group, Ore Valley HA and Glen HA, we have been successful in securing Scottish Government funding for a Housing advocacy project to provide support to vulnerable tenants in early tenancy to support tenancy sustainment. The project will require 2 full time members of staff, both of whom will be recruited through the Nauman Initiative, with the housing element to be provided by KHA and/or one of the other partner landlords.

The project will run for three years. The grant funding award of £167,000 over three years covers the full salary and on costs for both posts. Bill highlighted that although the grant funding will cover the financial element of the project, including full staff costs, the employment of 2 additional members of staff is however treated as an increase to the staffing establishment.

The Board **approved** employing additional staff to deliver the project, subject to the costs being covered through the grant funding.

3.3 Coronavirus Funding

The Board asked for a more detailed breakdown of the funding for KHA and KI tenants.

Post Meeting note

Total Applications = 196 - £47,430

KHA applications - 152 = £36,480

KI applications - 44 = £10,950

You will also note the average grant assistance provided, per application, is £242 (KHA Tenants) and £249 (KI tenants).

It is acknowledged that there appears to be a disproportionate number of tenants in KI who have received assistance compared to KHA, however this is probably due to the criteria that has been applied in respect of eligibility.

Bill

The fund was intended to provide assistance to tenants who were experiencing a direct loss due to Covid-19. It was not intended to provide support with rent costs and we have other supports in place to assist with this. We have also accessed various different funds to assist tenants.

By definition tenants had to have had their financial circumstances directly worsened by Covid, by and large this is where household income is compromised where there has been an impact on earnings. By default therefore, tenants whose income is received through benefits have not been applying to this fund (although we did put the Supporting Communities funding in place to provide support to critical financially vulnerable tenants - including those on benefits).

We have in the region of 50% of our tenants in social rent homes on some form of benefit support (last confirmed stats on this are from ARC data at end of March).

If we remove the 50% or so of tenants on benefits and assume that the eligible pool for the fund of social rented tenants is effectively closer to half of our total social rent tenants. Based on the number of claimants to the fund this gives us around 7% of eligible Social rent tenants have accessed the fund, whereas around 7.5% of MMR tenants have accessed the fund.

The Board noted that Sections B, C, D and E were all for information and noting.

10. **CONFIDENTIAL ITEMS**

Minute removed as confidential information

11. **ANY OTHER BUSINESS**

None identified.

12. **DATE OF NEXT MEETING**

4 December 2020 - KHA Strategy Day
7 December 2020 - KHA Board meeting

Signed _____
Chair

Signed _____
Secretary