



**MINUTE OF BOARD OF DIRECTORS MEETING
HELD ON WEDNESDAY 8 JULY 2020 VIA
VIDEOCONFERENCE**

Board members: Maureen Dowden (Chair), John Henderson, Heather MacNaughton, John McCraw and George Thorley

In attendance: Matthew Foreman (Managing Director) Steven Henderson (Group Director of Finance, Wheatley Group), Anthony Allison (Director of Governance, Wheatley Group), Deborah Pairman (Head of Finance, item 9 onwards), Graeme Roy (Fraser of Allander Institute item 4 only) and John Crooks (Group Health and Safety Manager, item 8 only)

1. Apologies for absence

There were no apologies for absence. It was noted that non-attending members had all received the papers and given the opportunity to provide feedback.

2. Declarations of interest

There were no new standing declarations in interest.

3. Minutes of Board of Management meeting of 27 May 2020

The Board agreed an amendment to remove the word 'potential' in relation to the declaration of interest and reiterated the importance of a clear definition of what represents an interest and a conflict. It was noted a revised Group policy on conflicts of interest was under review, would be brought to a future meeting and that the Board's feedback would be taken into account in the policy development.

Decided: The Board approved the minute of the Board meeting of 27 May 2020 subject to the amendment above.

4. Strategy refresh

The Board received a presentation from Professor Graeme Roy on the economic impact of Covid 19, including: the channels of impact and duration; the potential shapes of the economic recovery and associated impacts such as the uneven impact on different segments and regions of the labour market, particularly on lower paying sectors; and how our existing strategy stands, with the key areas of focus remaining valid but the delivery and timing likely to require refinement.

The Board discussed the specific challenges in Dumfries and Galloway, particularly in relation to digital and transport connectivity. It was explained that initial analysis suggested the impact on rural areas will be disproportionately adverse and that connectivity was a factor in this.

The Board further discussed the potential shift to home working and the potential implications for the requirements of homes in the future. It was recognised this was an area where delivery and timing may need to be flexed.

The Board discussed how, in the delivery of our commitments to tenants as part of the partnership, we can make a positive contribution to issues such as youth unemployment through increasing the level of apprenticeships. It was agreed this was an area to explore further in our strategy as part of our contribution to the local economy.

The Board discussed the role of planning in supporting the economic recovery, particularly the process being accelerated. It was explained that this has been identified at national level as an area for reform and identified in the report from the Scottish Government's Advisory Group on Economic Recovery.

The Board discussed the process for developing our 5-year strategy, reiterating that delivering the partnership commitment to tenants formed the underlying basis for the strategy. The Board agreed the strategy workshop should be informed by: our progress to and plan for achieving the Scottish Quality Housing Standard and Energy Efficiency in Social Housing; housing demand analysis; and partnership links in our strategic footprint.

The Board received an update on our engagement to date with South of Scotland Enterprise and its link to the Scottish Government.

Decided: The Board agreed the approach to strategy development as set out in the paper.

5. Business Update

The Board received an update on current activity within the business and a summary of key performance indicators, including: arrears; letting and gas safety.

The Board discussed the lets to homeless in partnership with the Local Authority, the formal leasing process and the potential for the conversion to permanent lets. It was confirmed we will explore the option to convert the lease to permanent individual tenancies.

The Board discussed our current low absence levels and the factors contributing to the low level. It was explained contributory factors include the return of long term cases and that the incoming cohort of repairs staff have a low level of absence. The Board were updated on our ongoing ER/VR activity.

The Board welcomed the £37k received from Dumfries and Galloway Council to support customers having difficulties with energy costs and the £10k received to support vulnerable customers to get online. An update on how many customers will benefit from the funding was sought. It was confirmed that we expect almost 600 customers to benefit from the energy support.

The Board discussed the number of tenants claiming Universal Credit, the proportion where an Alternative Payment Arrangement (“APA”) is in place and whether the level of APAs is what we would expect or seek. The APA criteria was set out in further detail and it was explained the benefit of an APA was dependent on the individual circumstances.

The Board discussed the process for, if necessary, forcing entry to undertake gas safety checks and the legal basis for doing so. It was explained that the basis for forcing entry was the terms of the tenancy agreement and that a court order or police presence was not a requirement.

Decided: The Board noted the contents of the report.

6. Mobilisation of services

The Board received an update on our planned staged approach to the remobilisation of business operations over the coming months, including the methodology for transitioning between stages and the fit with phases of the Scottish Government’s publication, ‘Scotland’s route map through and out of crisis’.

The Board discussed the transitions and how we need to continue to be agile as the government guidance rapidly evolves. The Board discussed the ongoing review of commercial properties within Novantia. It was confirmed this was still underway and would be reported to the relevant Board in due course.

The Board discussed fire safety and how we categorise extremely high risk customers. The basis for identifying such customers was explained.

Decided: The Board:

- 1) noted the approach set out in this report; and**
- 2) noted that a further update on our service models will be provided to the next meeting in August**

7. Fire prevention and mitigation framework

The Board received an update on: the national picture and the how the Scottish Fire & Rescue Service have redesigned their services to reflect and take account of the COVID-19 pandemic; measures we have introduced to ensure fire safety and customer well-being continues to be of paramount importance during the post Covid 19 lock down period; and year end performance for fire safety remedial work.

The Board welcomed the detailed update and assurance we are continuing to prioritise fire safety, within the context of the restrictions currently in place.

Decided: The Board:

- 1) noted the information provided within the report that evidences the measures we have introduced to reflect national policy changes and ensure fire safety and customer well-being continues to be of paramount importance during the COVID-19 pandemic; and**
- 2) the update on our end of year performance for fire safety remedial work**

8. Coronavirus Health and Safety update

The Board received a summary on the wide range of Health and Safety activity being undertaken to protect and support our staff and customers as well as meet our compliance requirements. A specific detailed update was provided on how we have supported staff who recently joined via the repairs service, including the training made available.

The Board contemplated our approach to home working and the relevant Health and Safety Executive ("HSE") guidance and requirements. It was confirmed we take cognisance of any HSE requirements and that as we develop a new policy approach to home working this will be taken into account.

The Board considered the implications of home working in areas such as cyber security and GDPR. It was confirmed we have information security protocols as well as training for staff. It was further confirmed Internal Audit are commissioning an external health check in relation to cyber security.

Decided: The Board noted the contents of the report.

9. A) Finance report

The Board received a summary of financial performance for the year to date, the proposed approach to management of cash/idle fund and the annual Loan Portfolio Return to the Scottish Housing Regulator.

The Board considered performance for the year to date and agreed the proposals for how we manage our cash.

Decided: The Board resolved:

- 1) that Handelsbanken plc (the "Bank") continue as the appointed bankers of the Charity;**

[recommendations 2 to 11 redacted]

- 12) to note the finance report**

- 13) to approve the SHR Loan Portfolio Submission as at March 2020.**

9. B) Business Plan Financial Projections Reforecast

The Board received an update on the expected impact of COVID-19 on our financial projections and key financial ratios. The key areas of revisions, including the rent assumptions beyond existing partnership commitment and the necessary reprofiling of repairs and capital investment were set out in further detail.

It was reiterated that we will seek to deliver investment as soon as possible, taking into account the Covid related constraints and the views of our tenants on work being undertaken, particularly internally.

An update was provided on the proposed covenant definition change.

The Board contemplated the potential for cost inflation in key areas of expenditure. It was explained that we are considering the potential of this in areas such as development and this would be kept under review.

Decided: The Board:

- 1) noted the update to our financial projections, including the reduction in the long term rent increase to 2.9%;**
- 2) noted that we are engaging with Royal Bank of Scotland to renegotiate the DGHP interest cover covenant definition; and**
- 3) noted that a further revision to the projections will be brought back to the Board in August**

10. Rechargeable repairs

The Board received an update the principles and framework for rechargeable repairs, further to its discussion at the previous meetings.

The Board further discussed how the proposals differentiate between wilful damage and agreed that the approach be implemented and the impact assessed at the end of the financial year and an update provided.

Decided: The Board:

- 1) agreed the new approach to the raising of rechargeable repairs; and**
- 2) requested an update on the implementation be brought to the Board post financial year end**

11. AOCB

There was no other competent business.