

Meeting Minutes

Board Meeting

Thursday 14 February 2019 at 10.00am in Leving House, Livingston

Present:	Frances Wood (Chair) Beverley Graham Bob Hartness Bob McDougall Chris Baird Douglas Taylor Janice Flanagan Jill Pritchard Jim Watt Stan Rae Stuart Dow	In attendance:	Isla Gray Sharon Brady-Wardrope Lorraine Utterson Elaine Whyte* Emma Wilson* Jon Turner Michelle Proust (Minutes)
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* Excluding items of Private/Reserved Business 4320-4325

4318 WELCOME AND APPOLOGIES

Frances Wood welcomed everyone to the meeting. A special welcome was extended to Jon Turner, Link CEO, attending his first meeting of the Horizon Board, and congratulations were extended to Sharon Brady-Wardrope, attending her first Board meeting in her new role as Interim Operations Director, and also to Emma Wilson, newly appointed Interim Asset Manager.

Apologies had been received from Jean Hamilton, Susie Fitton and Grant Carson.

4319 DECLARATION OF INTERESTS

Jill Pritchard declared her position as a member of the Link Property Board.

PRIVATE/RESERVED BUSINESS

The following six items were considered private/reserved business and separate confidential minutes produced. With the exception of Isla Gray, Sharon Brady-Wardrope and Michelle Proust, no other staff were present during consideration of the following items:

4320 CONFIDENTIAL MINUTES OF THE MEETING HELD ON 13 DECEMBER 2018.

4321 CONFIDENTIAL MATTERS ARISING

4321.1 Care and Repair Feasibility Study

4322 COST OF LIVING CLAIM

4323 UNCONFIRMED CONFIDENTIAL MINUTES OF THE EMPLOYMENT SUB-COMMITTEE MEETING HELD ON 15 JANUARY 2019.

4324 ESTATES REVIEW

4325 BOARD APPRAISAL PROCESS

Staff members Elaine Whyte and Emma Wilson were welcomed into the meeting. Emma was congratulated on her recent appointment to the role of Asset Manager.

ITEMS FOR DEBATE/DECISION/APPROVAL

4326 APPROVAL OF THE MINUTES FROM THE MEETING HELD ON 13 DECEMBER 2018

The minutes were approved as an accurate record of the meeting.

Moved: Stan Rae

Seconded: Beverley Graham

4327 MATTERS ARISING

4327.1 Update from Conveners Meeting

Frances Wood provided the Board with an update from the Link Group Conveners meeting held on 13 January 2019.

Key points provided in the update included:

- Decision by Conveners Group to hold more frequent meetings, timed to occur prior to Link Board meetings, allowing subsidiary Chairs (and Vice-Chairs) the opportunity to feed in to discussion.
- Jon Turner had spoken at the meeting of his first impressions of the organisation, providing a positive summary of his time so far in post and voicing his appreciation of the quality of services provided by the organisations' front-line staff.
- The outputs from Horizon's strategy day were discussed and the positive approach adopted by Horizon in recognising the unique qualities and skills that Horizon as a subsidiary brings to the organisation while also recognising the benefits of being a part of the wider organisation was welcomed. Other subsidiary conveners would be feeding back to their own boards on this

approach, and shaping their own reviews, the outcome of which should provide the organisation as a whole with a better sense of where it is and identify key areas where we can all benefit from collaborative working.

- A Link Strategy Day will take place in April.
- There was discussion on holding a social event for all Board members across the Group, this would be likely to take place around August. There would be facilitated discussion and also an opportunity for Board members to socialise, getting to know members of other Boards.
- Jon Turner will be leading the review of the current service arrangements across the group, with a view to implementing effective and efficient change where the need/opportunity is identified.

The Board noted the update from the Conveners Meeting, provided by Frances Wood.

4328 UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 6 FEBRUARY 2019

The unconfirmed minutes of the Audit Committee meeting held on 6 February 2019 were tabled, for information.

The Board noted the unconfirmed minutes and Bob McDougall, Convener of the Audit Committee, spoke to the Minutes and summarised the decisions taken by the Committee which fed into various items of business on the Board agenda today. The Committee's recommendations would be considered in detail during discussion of those items of business on today's agenda.

4329 ANNUAL RENT REVIEW

Sharon Brady-Wardrope introduced the previously circulated report on the Annual rent Review, which provided an analysis of the key factors influencing the review of the rents for 2019-2020 and consideration of the rent increase required to achieve budget requirements and long-term viability.

It was noted that the report had previously been considered by the Audit Committee at its meeting on 6 February and the recommendations from the Audit Committee were noted.

Consideration of the report and of the recommendation from the Audit Committee balanced the desire to keep any rent increase to a minimum while maintaining the quality of homes and services provided for tenants.

The Board discussed the impact of Universal Credit roll out on affordability of rents, and the rent level of those properties that have seen significant adaptations carried out. It was noted that the organisation was well sighted on the issues surrounding these matters and the outcomes of the current rent review would address these in its considerations. Initial analysis of the data on Horizon rents indicates that properties which fall into higher rent brackets due to being significantly adapted would see the rents favourably adjusted as an outcome of the review.

In response to Board members' concerns over the response rates for the rent consultation, Elaine Whyte was able to provide members with statistics that demonstrated that the response rates to Horizon's consultation had been significantly higher than the average response rate within the housing sector.

Decision:

The Board approved the following increases, to be applied from 1 April 2019:

- An increase of 2.2% to rent, service charges, occupancy charges and factoring fees for social rented and shared ownership properties.
- An increase of 4.2% for leased properties
- An increase of 2.2% to management charges for Access Ownership properties and maintenance charges increased to reflect actual and forecast expenditure.

4330 BUDGET 2019/20, AND 5- & 30-YEAR FINACIAL PROJECTIONS

The Board considered the budgets for the 5-year period 2019-2023/24 and the 30-year Financial Plan.

Discussion focused around the positive financial outlook presented in the plan and budget, which set out projections that would enable continued quality of service while providing scope to also make improvements, achieving good service delivery and meeting the organisation's aspirations with a fair rent increase.

Lorraine provided an overview of the considerations that had been applied to the sensitivity analysis, drawing attention to the sensitivity rankings, which included the detail of mitigating actions against those risks.

Bob Hartness mentioned that the Scottish Government would be making interest free loans available to assist landlords in meeting their obligations when, from 1 February 2021, an amendment to the statutory tolerable standard comes into force under section 86 of the Housing (Scotland) Act 1987, which will require that all houses, regardless of tenure, must have satisfactory

provision for detecting fires and for giving warning in the event of fire or suspected fire. The Asset Management team would explore this funding option.

In regard to the Research and Development Budget it was noted that in recent years this budget had seen a boost due to the funding for the Match Me project. Moving into 2019/20 this project and its associated funding will have ended, hence the appearance of deflation.

Decision:

The Board approved the Revenue and Capital budgets and the 30-year Financial Plan, as recommended by the Audit Committee.

4331 BUSINESS PLAN 2019-24

During consideration of the previously circulated Business Plan 2019-24, the Board took assurance that the Business Plan had been drafted in full consultation with staff with feedback indicating that staff are content with the direction taken and that no concerns had been raised.

The Board requested that some of the high-level detail, along with key statistics and achievements of the organisation, be produced into a hand-held quick-reference pamphlet that Board members could use to refer to when promoting Horizon achievements and values.

It was noted that in terms of dissemination of the Business Plan, the main objectives of the organisation are communicated to tenants in the Annual Report to Tenants, in the quarterly newsletter issued to tenants, and on the Horizon website, among other methods.

On review of the KPI figures detailed within the plan, the cover report highlighted the areas where it may appear that targets are relaxing, and the additional narrative around those targets clarified that this was not the case and provided explanation and reasoning behind the amendment to the targets.

Bob Hartness suggested an amendment to the text at section 7.7 – Private Finance to state that from 2021 LIBOR (London Interbank Offered Rate) will no longer apply and that Sterling Overnight Index Average (SONIA) will replace LIBOR.

It was suggested that at Section 2.2 – Objectives – The priorities set out within the table for each objective should be set out in a way that weights the priority of each point.

Decision:

With the above amendments in mind, and with any further comment from Board members to be incorporated, the Board approved the Business Plan for submission to Link Group and incorporation into the Group-wide Business Plan, and as the basis for Horizon's annual work planning. Board members were invited to make further comments on the Business Plan and Michelle Proust would circulate an email with a deadline.

4332 POLICY REVIEW

4332.1 Code of Conduct

The Board considered the previously circulated draft Code of Conduct, approved by the Link Senior Management Group on 10 January.

It was requested that the pre-face be updated to include 'volunteers'.

Decision:

With the revision to the pre-face in mind the Board approved the revised Code of Conduct and preface.

4332.2 Lettings Policy

The Board considered the previously circulated draft group-wide Lettings Policy which incorporates the provision of the Housing (Scotland) Act 2014 and the changes approved by tenants and applicants.

During their review, the Board made a number of suggestions to make the wording of the policy more specific to Horizon, including referencing the responsible officer to whom any exceptional allocations should be reported, and adding clarification to the narrative on P5 – Objectives on GDPR compliance.

It was noted that procedural documentation would be produced to be used in tandem with the Policy, and that simple guidelines and FAQs would be produced for the reference of Horizon's tenants.

There was discussion around the key findings of the Match Me project, the outcomes of which had helped shape the drafting of the Lettings Policy. It was recognised that there remains a need to raise public awareness of HomeHunt and the types of properties available, and that choice based letting has its

challenges. Improvements to HomeHunt's procedures will now see those people who have registered a requirement for an adapted property being provided with email notifications when suitable properties become available, and these applicants/properties will automatically be assessed for suitability.

Decision:

With the above-mentioned edits in mind the Board approved the group-wide Lettings Policy, which will take effect from 1 May 2019. The Board also approved proposals to work towards a group-wide approach to the allocation of wheelchair standard properties.

4332.3 Repairs and Maintenance Policy

The Board considered the previously circulated draft policy.

Decision:

The Board approved the Repair and Maintenance Policy.

ITEMS FOR PERFORMANCE AND RISK MANAGEMENT AND MONITORING

4333 MANAGEMENT ACCOUNTS

Decisions:

The Board considered and approved the Management Accounts for the period ending 31 December 2018, as recommended by the Audit Committee.

4334 RISK REGISTER MONITOR AND REVIEW

In addition to the information contained in the previously circuited report, Isla Gray advised the Board that the time scale for the implementation Freedom Of Information compliance is now November 2019. Horizon have always maintained working practices that would conform to FOI scrutiny. However, a draft work plan will be produced and presented to the Board to demonstrate that the organisation is FOI ready.

A Risk review workshop would be scheduled to take place following on from the Board meeting in April.

Decision:

The Board noted that:

- The risk register review was carried out by the Audit Committee at its meeting on 6 February 2019; and
- A number of minor amendments were made to update the register to reflect the effectiveness of mitigating controls, however, there were no recommendations for significant change in risk levels which should be brought to the Board's attention.

4335 KPI REPORT Q3

The Board noted the information contained in the previously circulated report which provided performance information against KPI targets approved in the Business Plan for 2018-19.

ITEMS FOR NOTE

4336 LOAN COVENANT COMPLIANCE

4336.1 Loan Covenant Compliance Report Q3

The Board noted the circulated report and were content that all requirements continued to be met.

4336.2 Loan Covenant Definitions Report

The Board noted the outcome of the review by Nationwide of the Loan Covenant definitions.

Decision:

The Board approved the continuation of the loan covenant interest cover ratio calculation and definitions on the existing basis.

4337 RESEARCH AND INFLUENCING ACTIVITIES REPORT

In addition to the information provided in the previously circulated report, Isla Gray informed Board members that with the appointment of Sharon Brady-Wardrope to the position of Interim Operations Director, Isla has now been able to assume fully the role of Interim Managing Director. As such, Julia Fitzpatrick's role in providing support for the organisation's research and influencing work has now ended, and Isla has now assumed responsibility for those work streams. Isla would be attending her first meeting of the Accessible Housing Group later in February. It was also noted that, for the same reasons, Anna Evans's time in post as Interim Managing Director (Strategy) has also come to an end.

Board members were thanked for their continued involvement and support in strategic matters during this interim phase.

Standing orders were suspended at 1pm for 5 minutes to enable the conclusion of business.

4338 ANY OTHER BUSINESS

There were no matters of other business.

Jon Turner was thanked for his attendance at the meeting and for his useful and positive contributions to discussion.

Date of the next meeting

The date of the next meeting is Thursday 18 April 2019 at 10:00 a.m. in Livingston.