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| Viewpoint Logo | | P01a | |
| **Board meeting**  Minutes of the meeting of the Board  at 5:30pm on **11th August 2020** | Held via:  WebEx video conference | |

Board Members

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| Mr I Thompson, Chair  Mr T Roehricht, Vice Chair  Mrs C Jardine | Ms K Kennedy  Mrs C Lumsden  Mr D McIntosh | Mr J Muir  Ms P Russell  Mrs J Simpson |

Attending

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| Jean Gray, Chief Executive Officer (CEO)  Howard Vaughan, Director of Finance and Assets (DFA)  Helen McMorran, Director of Business Support (DBS) | Ann Wood, Director of Care (DC)  Esther Wilson, Director of Housing and Support (DHS)  Tom Mitchell, CGPM Consulting LLP  Philip Morrice, Alexander Sloan & Co |

Apologies received

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Minutes

| Item | Subject | Action | Due Date |
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| 00 | Welcome |  |  |
| a | There being a quorum present, the Chair welcomed all and opened the meeting. Following agenda item 03 there would be a short break. |  |  |
| b | No declarations of interest, other than those already on the record, were made. |  |  |
| 01a | Minute of previous meeting |  |  |
| a | The minutes of the meeting of 30th June 2020 were approved without change. |  |  |
| b | The minutes of the private meeting of 30th June 2020 were approved without change. |  |  |
| 01b | Matters arising and outstanding actions |  |  |
| a | All actions except 26 and 48 were considered to be closed. |  |  |
| b | There were no matters arising not on the agenda or not included in the outstanding actions log. |  |  |
| 02 | Accounts for the year ended 31st March 2020 and their audit |  |  |
| a | The Risk and Audit Committee have reviewed the financial statements for the year ended 31st March 2020 and the accompanying audit Management Letter and Letter of Representation. |  |  |
| b | PM was invited to take the Board through the papers. PM thanked HV and his team for their help in the audit process during these unusual circumstances. |  |  |
| c | The accounts are in the same format as in previous years. Both audit reports, that to the SHR (statement of internal financial control is consistent with the auditor’s findings) and that to the Members are both unqualified; that is:   * The statement of internal financial control is consistent with the auditor’s findings; and * The financial statements give a true and fair view of the affairs of the Association for the year ended 31st March 2020 and properly prepared in accordance with UK accounting legislation and regulations. |  |  |
| d | The auditor concluded that the use of the going concern basis for the preparation of the financial statements was appropriate. |  |  |
| e | The auditor noted that the position being reported was consistent with the position being reported in the management accounts. Matters of note were:  Statement of comprehensive income   * The exceptional item, being the breakage costs relating to the RBS loan; * The movement in fair value of financial instruments is the unrealised loss in value of the investment portfolio; * The actuarial gains on the pension liability;   Balance sheet   * Cash balances remained high; * Net current assets remain at a level similar to 2019; * There is a strong liquid position with low debt; * Pension liability low relative to the instability due to the pandemic at the point of valuation;   Cash flow   * The value of acquisition and construction costs indicative of funds spent on VHA’s properties;   Notes to the accounts   * Nothing in particular to bring to the Board’s attention. |  |  |
| f | KK joined the meeting  PM invited questions from the Board. The following matter was raised:   * The pension deficit and the anticipation that it will deteriorate over the 2020-21 financial year was discussed. Markets were turbulent during March 2020 and in some ways the actuarial valuation was a skewed result reflecting the flight to bonds and that the valuation for accounting purposes uses a corporate bond yield. |  |  |
| g | The auditor introduced the salient points from their Management Letter to the Board setting out the audit findings. The main points of note were:   * The key audit risks did not give rise to any issues during the audit; * The key audit risks were similar to the prior year with an additional risk relating to the pandemic which gave rise to additional work in relation to going concern. No revision of any figures was considered necessary as a result of the additional work; * There is one recommendation for improvement, which is being dealt with. There remain a number of older accruals and creditors within the accounts. Investigation is still taking place to allow these to be written back in the current financial year. |  |  |
| h | The form of the Letter of Representation was noted by the Board and that the only variation from previous letters was item 17 in connection with the pandemic. |  |  |
| i | A private session with the auditor will be arranged with the board members of the Risk and Audit Committee on 20th October 2020. |  |  |
| j | The various documents will be signed using “DocuSign”, a secure digital platform. |  |  |
|  | The Board approved the following documents and authorised their signing:   * The financial statements for the year ended 31st March 2020; and * The Letter of Representation. |  |  |
|  | The Board noted the following document:   * The Auditor’s Management Letter. |  |  |
| 03 | Internal Management Plan |  |  |
| a | The Internal Management Plan (IMP) is the means by which progress to achieving the strategic plan is measured and reported to the Board. There are underlying departmental plans. |  |  |
| b | A year of good progress had been anticipated but the executive were now reporting on the first quarter which has been completed undermined by the effects of the pandemic. Work has continued and the executive have tried to reflect this in the IMP:   * Assurance over governance was required by the SHR; * There is work ongoing on Tenant Participation. |  |  |
| c | The present strategic plan was deliberately in place for a year and it will be evolved following the away day in September. |  |  |
| d | Some elements of the IMP have been enhanced following executive review and some remained to be updated:   * Commentary has been added in addition to the RAG ratings; * End dates may not be relevant to some actions. |  |  |
| e | The executive remains optimistic that they will be able to deliver more of the plan within the current year despite the impact of the pandemic. |  |  |
| f | The meeting clarified:   * The current plan was for one year. Much of it was about delivery of the foundations for future work; e.g. production of a Care Strategy; Asset Strategy & continual roll out of Tenant Participation Strategy * The observation was made that, even if end dates were some time in the future, it was still beneficial to note those end dates. Given current circumstances, some may be extended. It is hard to monitor performance if no timescales are not evident; it was agreed to populate dates * The extent to which the pandemic was inhibiting progress in the achievement of the work set out in the strategy. The reasons for any delays will be added into the narrative; * How much of the work will be complete notwithstanding the difficulties being encountered. VHA must continue to demonstrate progress to tenants and residents in order that consultations over the next few months are focussed on and supporting the subject of proposals rather than defending delivery performance; * Version control should be explicit on the document; * The production of the IMP was considered to be a very positive development. |  |  |
| 04 | Adoption of Model Rules 2020 |  |  |
| a | VHA’s current rules are based on the 2013 Model Rules. The papers included a review of the changes proposed to the Rules and a tracked change version of the 2013 rules. |  |  |
| b | A paper considered the five “optional” amendments to the Rules. Following extensive discussion of the pros and cons of each of the options, each Board member was polled for their views and the following votes were cast on the proposals:   1. **Allow** the Board to appoint directly up to 5 Board Members in addition to those who are elected; 2. **Allow** the Board to appoint employees as Board members; 3. **Prohibit** Board members who are related; 4. **Allow** payment of Board Members (subject to statutory provisions); or 5. **Allow** for virtual attendance at general meetings after 30 September 2020 when the provision of the Corporate Insolvency and Governance Act expire.  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Option | 1 | 2 | 3 | 4 | 5 | | For | 9 | 0 | 9 | 7 | 9 | | Against | 0 | 9 | 0 | 2 | 0 | |  |  |  |  |  |  | | Outcome | Yes | No | Yes | Yes | Yes | |  |  |
| c | The Board approved the holding of a Special General Meeting prior to the AGM for consideration of the 2020 Model Rules. |  |  |
| d | The Board approved the recommendation of the adoption of the 2020 Model Rules, amended to include options 1, 3, 4 and 5, to the Members at the forthcoming SGM.  The meeting took a 10 minute recess. |  |  |
| 05 | COVID-19 and Remobilisation Update |  |  |
| a | There are currently 11 empty beds in St Raphael’s, 3 in Marion House and 7 in Lennox. |  |  |
| b | New guidance has been issued by Jeanne Freeman concerning visits to care homes where 3 people from up to 2 households can visit in gardens and from 24th August, 1 named person can have internal visits for each resident. |  |  |
| c | Donald MacAskill has outlined procedures for investigation of deaths relating to COVID-19 in care homes. It will be taken by the Procurator Fiscal and involve police investigations. Care homes will be contacted and given 5 to 7 days to complete a questionnaire which will be submitted with relevant care records. |  |  |
| e | The greatest implication is around the amount of resource it will consume. VHA do have people at end of life and who may have tested positive for COVID-19 but had other conditions as well. |  |  |
| f | One assurance visit has taken place at Marion House and inspector’s feedback was very positive. Assurance visits are planned for Thursday (Lennox) and 28th August (St Raphael’s). |  |  |
| g | The manager at St Raphael’s Care Home is leaving, but a new appointment has been made internally, Jeannie Gearing who has already begun handover and comes with significant experience in the care sector. |  |  |
| h | Sustainability payments for care homes have been applied for and funds were due last week but have not yet arrived. Only around 40% of care homes have applied for sustainability payments which appears low relative to the number of vacancies. |  |  |
| i | The majority of furloughed staff are due to come back to work. Work is ongoing on surveys with staff about home working, returning to work and furlough experience. The executive are acutely aware that the offices are within a care setting and so very stringent infection control measures have been put in place. |  |  |
| j | Void works were due to restart on 12th August. There were currently 57 voids. The Gillespie roof works were underway and scaffolding is up; we start to see capital spend taking place. |  |  |
| k | Care homes have been doing work on planning and preparing for a potential second wave of the pandemic. A staff survey has yielded a good response and information for lessons learned. |  |  |
| l | In Housing and the @Home service the actions arising from the H&S risk assessments are being implemented. Plans are also in preparation for tenants at Glenesk to begin using the dining room once more. Other communal areas are not reopening for the time being. There have been one or two issues with residents breaching current guidelines. |  |  |
| m | A Board member noted that they had received a call from the Procurator Fiscal concerning the death of a family member. A call was offered and accepted to go through the questions and letter that will be sent too. | JG | 31Aug 2020 |
| n | It was announced at the beginning of the outbreak that there would be an investigation into COVID-related deaths. The process is expected to follow the same pattern such as happened with unexpected deaths in pre-COVID times. Though staff have been through this many times, they are still feeling a sense of threat. |  |  |
| 06 | SLWG Financial Planning |  |  |
| a | TR summarised the current position. Two scenarios have been prepared:   * Expected outcome; * Conservative outcome (2nd wave of COVID, slower recovery, etc.).   The aim is to have identified the point where cash flow becomes critical, in order that action can be taken at the earliest date possible. A key matter is that the information is kept up to date; e.g. delays to sustainability payments. |  |  |
| b | There should be no surprises in the figures; income is reduced (permanent) and so is CAPEX (deferred); so, there are some inherent timing issues to resolve too (loss versus saving versus deferred spend). The majority is deferred expenditure. A reduction of income by 1/15 is not insignificant. |  |  |
| c | These matters need to be considered at the away day as a part of the strategic discussion; where VHA, the factors influencing cash flow and where VHA is heading. |  |  |
| d | The SLWG meeting discussed extensively letting care home vacancies at this time due to the high expectation of a second wave of COVID coupled to potential action arising from the first wave. No conclusion was reached, and it will be raised at the strategic away day. |  |  |
| e | Measures taken when bringing new residents in are based on Health Protection Scotland guidelines. New residents are still being taken if they are willing to comply with the measures required. There is still a lack of confidence in the general public in respect of care homes that needs to be managed. |  |  |
| 07 | Quarterly accounts |  |  |
| a | The papers presented have also been to the SLWG and scrutinised in some detail. It is still early in the year; most expenditure variances are delays rather than savings. |  |  |
| b | The table in section 3 of the Quarterly accounts paper shows how the budget has changed to take account of newly approved posts. The presently surplus still meets required covenants. |  |  |
| c | The supporting people grant (SPG) of £92k has been brought back in as a result of ongoing discussions. VHA should have confirmation within two-weeks or thereabouts of the changes to SPG. |  |  |
| d | At the Risk and Audit Committee a presentation was received from Brewin Dolphin and the recommendation from the RAC was that the risk profile remains at 4 out of 10 on Brewin Dolphin’s scale. Following a short discussion, the Board confirmed the risk profile at 4 out of 10. DFA will revert to Brewin Dolphin. | DFA | 31 Aug 2020 |
| e | The current value of investments has almost returned to pre-COVID levels. Brewin Dolphin also confirmed that the returns from the portfolio (3.2%) were sufficient to meet the cost of loans (3.0%). This will be reviewed in a year’s time. |  |  |
| f | The Board were asked, and approved, the loan portfolio return to the SHR. |  |  |
| g | The five-year forecast (including the 4 months year to date) will be submitted to SHR by 30th September and will be presented to the next Board or by written resolution. |  |  |
| 08 | Write off report |  |  |
| a | The Board considered the write-off report seeking to write-off £1,942 of former tenant arrears and approved it. |  |  |
| 09 | Quarterly performance report |  |  |
| a | The report was provided to the Board for information. The impact of COVID-19 was clear and questions were invited from the Board. |  |  |
| b | The Board noted that it was good to see some confidence emerging around beginning to fill vacancies in care homes. |  |  |
| c | Complaints were discussed at the inaugural Operations Committee and the desire to do more work around complaints using them as a quality tool and improvement methodology. It was encouraging to see compliments as well as complaints. |  |  |
| 10 | Board training and development |  |  |
| a | A SLWG looked at Board training and development. Progress has been made and we are now at the stage of trying to schedule the Finance for Non-financial People and the Treasury Management training. |  |  |
| b | The group recommended and the Board agreed to four training sessions of c30 minutes, each year just prior to (the less busy) Board meetings. |  |  |
| 11 | Policies |  |  |
| a | The DC introduced the Infection Control Policy; following the most recent time it was presented to the Board, it was recommended to be more corporate and less procedure in nature. The procedural material has been separated into a separate document. |  |  |
| b | The policy was considered by Board members to be very good and to have taken on the learning from the pandemic . The Infection Control Champion roles are filled by the Charge Nurses and Nurses |  |  |
| c | The Board approved the Infection Control Policy. |  |  |
| d | As a part of the changes in HR within the organisation McKinney HR have been asked to review the current policy suite. Three new policies have resulted, and existing policies updated in line with good practice. The principal changes are summarised in the Key Changes Log. |  |  |
| e | The location of the policies was clarified as being in the Convene meeting folder. |  |  |
| f | Some of the policies will revert to the Board as a result of pay and benefits review. |  |  |
| g | The Board approved the 12 HR policies as presently drafted. |  |  |
| 12 | Governance report |  |  |
| a | The DBS introduced the governance report and drew particular attention to:   * The COVID return has been sent for the last month and Board members may see it on Convene; * The Board are asked to approve the proposal regarding staff appreciation for their contribution during the recent pandemic. A question was raised as to whether this was caught by the EPB Policy. The proposal was approved subject to review by JG and TM in the context of the EPB Policy; * The Board is asked to approve the creation of a new H&S Adviser post. The Board approved the new position. * A request to form a SLWG for the purpose of reviewing the evidence in support of the Annual Assurance Statement. The request was approved and IT, DM, JS and TR volunteered to be members of the SLWG. | TM JG | 31 Aug 2020 |
| b | In accordance with Rule 68 of the VHA Rules, the Company Secretary has confirmed to the Board that Rules 62 to 67 inclusive have been complied with in full. These Rules prescribe:   * Production of minutes of each meeting of the Board or a Committee of the Board * Documents executed under the seal of the company are reported to the Board * Proper maintenance of Registers of Members and Shareholdings; * The use of the registered name of the Association; * Retaining and maintaining key documentation at the registered office.   KK left the meeting |  |  |
| c | The Board members noted the Governance Report |  |  |
| d | DM asked if there would be a virtual option for the Away Day meeting in September. JG confirmed that there would be. |  |  |
| 13 | Any Other Competent Business |  |  |
| a | JM has been invited to join the judging panel and to present an award at this year’s TPAS conference and sought, and received, the Board’s agreement to accept these invitations. |  |  |
| 14 | Date of next meeting |  |  |
| a | The next meeting will take place on 29th September 2020 at time and venue to be confirmed. The Board meeting will follow the AGM and an EGM.  A meeting is planned for 14th August to discuss the arrangements for holding a virtual AGM. The CEO will revert to the Board following that meeting. The meeting date will most likely be moved from 29th to either the 22nd or 15th to permit arrangements to be made if the meeting is not quorate (<14 members) and for VHA to still meet its obligation to hold an AGM before 30 September. |  |  |

The meeting closed at 7:20pm.

**Approval of the minutes**

Signed as a true record of the meeting, following the approval of the draft minutes by a meeting of the Board.

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| Signed: | Date: |

Iain Thompson, Chair