



**LORETTO HOUSING ASSOCIATION
MINUTE OF BOARD MEETING**

Date: 6 July 2020
Time: 6.15pm
Venue: By video conference

Chairperson: Douglas Robin

Present: Jean Fyfe
Pauline Gilmore
Archie Morrison

In Attendance: Olga Clayton, Group Director of Housing and Care
Laura Henderson, Managing Director
Anthony Allison, Director of Governance
Margaret Ross, Financial Controller – RSLs
Professor Graeme Roy, Fraser of Allander Institute (item 4 only)
Jackie McIntosh, Director of Property Development and Initiatives (item 9 only)

1. Apologies for Absence

It was noted that Board meeting was convened with a streamlined number of Board members due to the coronavirus pandemic. Board reports had been circulated to all serving Board members for comment in advance of the meeting.

Apologies were received from Alex MacKay.

2. Declarations of Interest

The Board noted the standing declarations. No new declarations were made.

3. Minutes of Board Meeting held on 18 May 2020 and matters arising

Decided: The Board approved the minute of the meeting held on 10 February 2020.

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 welcomed the confirmation that the fundamentals of our strategy remain valid and discussed the delivery challenges which are likely to arise, particularly our projections for development. It was explained that opportunities were also likely to arise as we recalibrate our delivery assumptions.

The Board discussed the reactivation of the economy and how fully and quickly supply chains are likely to re-established given the unprecedented nature of disruption. The Board further considered the likelihood the economy will become more internally driven in terms of supply chains in response to the pandemic. It was agreed this would be an anticipated consideration for organisations, particularly those with long, internationally driven supply chains. It was further explained that wider global risk, such as cyber security, was expected to become an even more prominent business consideration.

The Board discussed the proposed refresh process and agreed the proposals were appropriate.

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

5. Business update

The Board received an update on current activity within the business, particularly the reduction in arrears, ongoing engagement with our tenants, and staff engagement and absence levels.

The Board discussed the benefit we have experienced from our digital platform. The Board sought an update on our voids. It was explained that the voids were a challenge given the current letting restrictions, particularly where voids have not been utilised for homelessness. The Board sought confirmation on the possibility of leases to local authorities for homelessness being converted to permanent tenancies. It was confirmed this would be considered where the properties were not already offered prior to the pandemic.

Decided: The Board noted the content 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*'.

It was confirmed our visiting team has now been established and that our grass cutting service has remobilised, which has been positively received by tenants. The Board further discussed the grass cutting service and the initial issues in particularly dense areas.

The Board acknowledged the significant support delivered via the Eatwell and emergency response services.

Decided: The Board:

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

7. Fire prevention and mitigation update

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 discussed the level of incidents which have occurred during the period of lockdown and restrictions and how our mitigations have contributed to this not being a material spike.

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) noted the update on our end of year performance for fire safety remedial work.

8. Health and safety update

The Board received a detailed update 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.

The Board welcomed the strong level of support being provided to staff. An update was provided on the position in care and LivingWell services.

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, particularly in relation to the variances and the draft loan portfolio submission.

The Board sought an update on the treatment of the income via Allia. It was explained this will be allocated as the associated development activity resumes.

The Board sought confirmation of the allocation of the City Building (Glasgow) fixed overhead costs. It was confirmed this was allocated proportionately within the Group to those City Building (Glasgow) provide repairs to.

The Board received an update on the SHAPS pension scheme position and the key changes in its funding position.

Decided: The Board

- 1) noted the management accounts for the period to 31 May 2020; and
- 2) approved the SHR Portfolio Submission as at March 2020

9. B) 2020/21 financial projections reforecast

The Board received a detailed update on the expected impact of COVID-19 on our financial projections and key financial ratios.

The Board discussed the revised rent uplift assumption and sought confirmation this would not impact existing investment and be covered by other efficiencies. It was confirmed this was the case.

The Board discussed the level of headroom we have within the context of the current uncertainty the pandemic gives rise to. It was explained that our assumptions are prudent, combined with our Golden Rules which include a buffer. It was further explained we review our covenant projections quarterly.

Decided: The Board:

- 1) noted the update to our financial projections, including the reduction in the long term rent increase to 2.9%; and**
- 2) noted that a further revision to the projections will be brought back to the Board in August**

10. AOCB

It was confirmed we were planning on the basis the Annual General Meeting would be held virtually.