

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 30 JANUARY 2019

MD REPORT

Following customer consultation, the Board agreed that the reception opening hours at the Irvine office, would remain the same.

The Board also noted:

- the outcome of the options appraisal in relation to Caley House, Kilwinning.
- the Association's inclusion in the consideration of pension scheme options.
- the arrangements in relation to the planned Board Strategy Day.
- the intention to arrange a Board visit to the Tarryholme development site.

FINANCIAL PLAN

The Board agreed a 2% increase to Association rents and service charges for 2019/20.

The Board thereafter approved the Budget for 2019/20.

TARRYHOLME DEVELOPMENT – PHASE 1

The Board approved the disposal of ground at the Tarryholme site to EEL to position an electricity substation for the development.

LOAN PORTFOLIO RETURN

The Board noted the content of the Loan Portfolio Return which had been submitted to the Scottish Housing Regulator.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Twenty Seventh Meeting of the Board held at 5.30p.m. on
Wednesday 30 January 2019 at 44-46 Bank Street, Irvine, Ayrshire

Minutes

Present: Mr D. McEachran (In the Chair) (by telephone), Mr C. Bell, Mrs M. Burgess, Ms M. Crearie, Mrs J. Galbraith, Mr R. Hill (by telephone), Ms C. McGuinness (by telephone) and Mr D. Thornton (by telephone).

In attendance were Mr P. Hillard, Mrs H. Anderson, Mrs D. Boyle and Mrs M. Hutchinson.

Apologies for Absence

Mr G. Darroch and Mrs J. Murray.

Declarations of Interests

Mrs M. Burgess declared her interest as a Director of North Ayrshire Women's Aid.

1. **Preliminaries**

Mr D. McEachran suggested that, due to the adverse weather conditions which had resulted in some Board Members participating in the meeting via telephone, the Meeting consider essential items only and the remainder of the items on the agenda be deferred until the next Board Meeting. This was agreed.

2. **Minutes of Previous Meeting – 226th Board Meeting held on 28/11/18**

The minutes of the 226th Board Meeting were noted and approved.

3. **Matters Arising from the Previous Minutes**

a) **MD Report (Min. 3.b)**

Mr P. Hillard advised that the consultation with tenants in relation to how they accessed services was now complete. Mr Hillard stated that the survey response rate had been low. Officials had considered the continued provision of the reception facility in line with these survey results, with Board's concerns regarding the potential closure of the reception area and the planned re-organisation of the office and had decided to continue to offer reception facilities from 10.00 a.m. until 12 noon every day for the time being. Mr Hillard stated, however, that should the Association require to identify more savings in the future, then the continued provision of this service would require to be considered again.

4. **Financial Plan**



Mrs Hutchinson stated that the Association had consulted on a proposed rent increase range of 2.5% - 3.5%. The difference of ½% of rental income equated to £45k of income to the Association and an average of 43p per week for the customer.

The Board enquired on the RPI and CPI figures. Mrs Hutchinson advised that the RPI figure for November 2018 was 3.2% and the CPI was 2.2%. The Board expressed concern that applying a rent increase lower than CPI could have an impact on the long term Financial Plan. Mrs Hutchinson stated that Officials were proposing the lower increase due to the Association being in the middle of the rent harmonisation process, which meant that a significant proportion of customers would

also be paying a supplement to bring their rent towards the target rent, which in some cases meant that customers would have an increase of circa. £5 per week. In order to keep the rent increase low, Officials had applied some efficiency savings to ensure that the Plan could still be achieved.

In response to a query from Board, Mrs Hutchinson highlighted that approximately 700 customers were still impacted by the rent harmonisation process. These numbers would reduce gradually over the next 4 years, as each customer's rents reached the target rent.

The Board referred to comments made by customers as part of the rent consultation process in relation to works carried out on their properties and enquired if it could be established if these customers would be affected by the additional rent harmonisation charge, as there could be a risk of reputational damage. Mrs H. Anderson advised that all negative comments made as part of this process were usually drilled down, to identify the customer in question and any complaints were addressed. The Asset Team were currently in the process of putting the capital programme in place, and reviewing this information to identify any geographic patterns could prove useful when developing plans.

The Board commented that they were content with the rent increase proposal and suggested that, given the current climate and the current rent harmonisation process which was in progress, a rent increase higher than what was proposed would create the risk of rent arrears increasing and customer satisfaction being affected.

The Board noted the proposed rent increases that other housing peers were currently considering applying.

Mrs Hutchinson then went on to advise on the budget assumptions which had been made in line with the budget based on the 2% rent increase:

[REDACTED]

Mrs Hutchinson stated that Officials had sought to make savings in areas which would not impact on customer service.

[REDACTED]

[REDACTED]

Mrs Hutchinson referred to other assumptions which had been made in relation to:

- [REDACTED]
- [REDACTED]
- [REDACTED]

Mrs Hutchinson highlighted that an additional £750k would be added onto the capital works programme in order to carry out the installation of LD2 smoke alarms.

[REDACTED] This contract would be procured in line with Group processes.

[REDACTED]

[REDACTED]

The Board noted the key risks associated with the proposed budget.

The Board enquired if risks associated with BREXIT were currently being considered as part of the [REDACTED] Financial Plan development. Mrs Hutchinson advised that the Association would be considering the same risks which Group had had to consider as part of its Moodies review. These had been:

- Borrowing exposure
- Extra cash available following BREXIT
- Supply chain
- Consumer confidence

The Board suggested that it would be useful for them to consider these factors at the forthcoming Strategy Days in advance of the Board considering the Financial Plan at the March Board Meeting. It was agreed that this would be factored into the format of the day.

After full consideration, the Board:

- a) Approved the proposed 2% increase to the Association's rents and service charges.
- b) Approved the proposed 2019/20 budget.

5. **Tarryholme Phase 1 – New Build Development Project**

The Board enquired how the nominal fee for the land to be disposed had been arrived at. Mr P. Hillard advised that this was standard practice.

The Board thereafter:

- a) Approved the disposal of the detailed area of ground to EEL to position a substation required for the Tarryholme development.
- b) Noted that consent for this disposal would be dealt with under the Scottish Housing Regulator's General Consent Procedure.
- c) Delegated authority to the Managing Director to sign the Disposition document.

6.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



7. **MD Report**

Mr P. Hillard gave his report on the following key items of significance to the Association:

a) Caley House, Kilwinning

The Board noted the outcome of the options appraisal in relation to the future of the properties and the preferred option to carry out the heating upgrade works and prioritise future lettings of the bedsit properties 

b) SHPS Pension and Auto-Enrolment

Mr Hillard highlighted that the Association would be involved in the future consideration of moving to an alternative defined contribution pension scheme, which may offer better value and be more easily administered. Ultimately, this would be a decision for Board to make and full details of any alternative scheme would be brought before Board at the appropriate time.



c) Board Strategy Days

Mr Hillard advised that information packs to aid discussions on the days would be issued to Board Members a week in advance of the Strategy Days.

d) Tarryholme Project Update

Mr Hillard advised of plans to arrange a site visit for Board Members in the Spring months, likely to be arranged on the same day as a Board Meeting.

8. **Loan Portfolio Return**

The Board noted the content of the Loan Portfolio Return which had been submitted to the Scottish Housing Regulator.

9. **Date of Next Meeting**

Board Meeting – 5.30 p.m. Wednesday 27 March 2019, 44-46 Bank Street, Irvine.

P. Hillard
Secretary
31 January 2019
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