

## **HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 27 MARCH 2018**

### **FINANCIAL PLAN**

The Board agreed to hold a Special Board Meeting in late April / early May to consider the financial plan which would then be submitted to Group for final approval.

### **TARRYHOLME DEVELOPMENT**

The Board noted financial position with regards to the Scottish Government's Offer of Grant and thereafter approved the overall project costs and Net Present Value per unit for the development.

The Board also delegated authority to the Managing Director to enter into the works contract with McTaggart Construction, subject to the presence of others and any required mitigation action being clarified and also there being no judicial review sought within the required timescale.

### **HEALTH AND SAFETY POLICY STATEMENT**

The Board reviewed and approved the Health and Safety Policy Statement.

### **AIDS AND ADAPTATIONS POLICY**

The Board noted the results of the consultation on the policy and following review, approved the Aids and Adaptations Policy.

### **ASSET COMPLIANCE MANAGEMENT AND RISK SPECIFIC POLICIES**

The Board reviewed and approved the Asset Compliance Management Policy and individual risk specific policies.

### **LOAN PORTFOLIO RETURN**

The Board noted that content of the Loan Portfolio Return for submission to the Scottish Housing Regulator.

### **PERFORMANCE REPORT**

The Board noted that Officials were managing their budgets effectively in advance of year-end.

The Board noted an increase in arrears. Following detailed analysis of the cases, in order to seek to improve these KPIs, further training initiatives would be taken forward with a view to tightening up processes between the Income Collection and Housing Officer teams.

#### MD REPORT

Noted the Equality and Diversity action plan would be presented to Board to give assurance that policy objectives were being taken forward.

Noted that 25<sup>th</sup> Anniversary dinner was being arranged on 17 May 2018 and invitations would be sent out in due course.

**THE RIVERSIDE GROUP LIMITED**

**IRVINE HOUSING ASSOCIATION**

Two Hundred and Twenty Second Meeting of the Board held at 5.30p.m. on  
Tuesday 27 March 2018 at 44-46 Bank Street, Irvine, Ayrshire

**Minutes**

Present: Mr D. McEachran (In the Chair), Mr C. Bell (Items 1-5), Mrs M. Burgess, Mr G. Darroch, Mrs J. Galbraith, Mr R. Hill, Miss J. Meek, Mrs J. Murray, Mr D. Thornton and Mr J. Wood.

In attendance were Mr P. Hillard, Mrs H. Anderson, Mrs D. Boyle, Miss L. Lynch (Items 1-3) and Mrs M. Hutchinson.

Apologies for Absence  
Mr F. Garven.

Declarations of Interests  
None.

1. **Preliminaries**

Mr D. McEachran highlighted that this was likely to be Mr J. Wood's last meeting with the Board due to his imminent retiral. Mr McEachran thanked Mr J. Wood for his support of the organisation as Group's parent nominee. He had enjoyed working with Mr Wood during his time on the Board and wished him well for the future.

2. **Minutes of the Previous Meetings held on 1 February 2018**

The minutes of the Board Meeting held on 1 February 2018 were approved and signed.

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

a) **Rent Restructure (Min. 3)**

Mr P. Hillard advised that the rent restructure had been implemented. Letters advising of the new rent charge which would be effective from 1 April 2018 had been sent out to all tenants.

b) **Managing Director's Report (Min. 9)**

Mr Hillard advised that following receipt of Board responses and discussions at the Governance and Staffing Committee Meeting, a draft version of the Association's proposed submission in response to the Scottish Housing Regulator's discussion paper had been produced and was tabled for information. The final version of the Association's response would be submitted on Thursday 29 March 2018 to the Scottish Housing Regulator.

c) **Financial Plan (Min. 4)**

[REDACTED]

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. **Tarryholme Development**

Mr P. Hillard advised that it had been 5/6 years since a development had been presented to the Board for approval. Planning permission for the 87 unit development had been granted in January 2018. A condition of this permission was the creation of a second access road which was over North Ayrshire Council land. A license agreement was currently being progressed to allow the Association to construct a further access road on this land and would be agreed prior to the build contract commencing. Mr Hillard confirmed that the offer of grant from the Scottish Government had been received that day.

Mr Hillard explained the backdrop to the Association acquiring funding for the project when the site was acquired back in 2007 and how this amount had been deducted from the offer of grant from the Scottish Government. The Board noted that the grant monies previously received for the rented element of the original plans had been deducted for phase 1 of the development and it was intended that the grant monies received for the Homestake element of the original plans would be deducted from phase 2 of any proposed development.

Mr Hillard confirmed that it was intended that rents would be charged in line with the Association's Rent Setting Policy from let rather than an increased charge for new build properties as the Policy allowed for.

Having looked at the property sizes in the development, Officials had agreed that it was immaterial to apply this charge.

Mr Hillard advised that a new risk to the proposed development had arisen following recent articles that the local press had been carrying in relation to otters being present in the pond adjacent to the site. The Board noted that it was a criminal offence to disturb the natural habitat of an otter. Miss L. Lynch advised that an ecological survey had been carried out as part of the planning application process and this did not identify any evidence of otters in the area. This survey had covered an area of 50 metres beyond the site. The Association now planned to carry out another survey extending the area to perimeter include the island which sat within the pond area. If evidence of otters were found following this further survey, then the Association would be required to apply for a license from Scottish National Heritage who would set recommendations for the Association to comply with as part of an otter protection plan. This could potentially affect the start date of the development. The Board noted that the further ecological survey would be carried out this week.

Mr Hillard also highlighted that it had also been reported in the press that a Tarryholme residents association was planning to seek a judicial review on the basis that the planning process had not been carried out properly. The residents had 3 months from the planning application being granted to seek this review, so the deadline for seeking the review would be 18 April 2018.

The Board enquired on the Association's risk exposure in entering into the building contract prior to these issues being resolved. The Board commented that the risk of a judicial review being carried out were likely to be low. Miss Lynch stated that there was potential for the build contract to be delayed but not to prevent it from taking place.

Following a query from Board, Miss Lynch advised that the Association would face the same risk if it developed the other part of the site instead and the planning application had been granted to develop the first part of the site.

In response to further queries, Miss Lynch advised that if otters were found, then Scottish National heritage would set conditions in its license and the Association would be required to carry out mitigation actions which could include erection of fencing etc. which could have a cost implication for the Association. The Board agreed that it would not be in the best interests of the Association to sign the build contract until there was clarity of any cost implications arising from this process.

The Board then discussed proposed mitigation action which the Association could do in order to address negative press articles regarding the development i.e. local employment / homes boost etc. It was recognised that the Association would do everything it could do to resolve this issue, however, local press decided which articles to print. The Board noted that there had been significant support locally for this

development and there had been views expressed regarding the Tarryholme residents' motives for raising objections to this development.

Mr Hillard advised that the proposed contract was a JCT design and build contract. This risk regarding potential delays were not clear cut. The contract contained standard clauses relating to carrying risks regarding costs and time. Miss Lynch advised that the fixed costs in the contract were design specific. There were 3 provisional sums within the proposed contract relating to adaptations, utilities and site traffic management works. Miss Lynch advised that the project team were working on firming up these provisional sum costs before the Association enter into contract. Miss Lynch further advised that there was a contingency within the PAMWIN Appraisal to cover any variations. These costs would be verified to ensure value for money was being achieved by the employer's agent. Following a further query from Board, Miss Lynch confirmed that these costs would be fixed by the time the contact was signed.



The Board commented that they required to keep the business plan sustainable and they needed to agree a cashflow level that they were comfortable with to then form judgements on future developments. They enquired on future risk. Mr Hillard highlighted that the Board had previously discussed the risk of collective developments within North Ayrshire having an impact on demand on older stock, however, this was likely to impact on areas not owned by the Association. The Board highlighted that it was likely that the high flats in Irvine would be demolished and this would have an impact on demand levels too.

Following full discussion, it was proposed that the letter of intent to the contractor be extended pending the signing of the build contract. This would allow site scrub works to be carried out on site, which were time sensitive. This was agreed.

The Board also:

- a) Noted the financial position with regards to the Scottish Government's Offer of Grant.

- b) Approved the overall project costs and NPV per unit.
- c) Delegated authority to the Managing Director to enter into the works contract with McTaggart Construction [REDACTED] [REDACTED] subject to sufficient advice being obtained about the further ecological survey and the management of any subsequent risk and confirmation of there being no judicial review within the prescribed period.

Miss Lynch left the Meeting.

4. **Health and Safety Policy Statement**

Mr P. Hillard advised that the Policy Statement presented was a joint Policy Statement between Group and the Association. [REDACTED]

The Board thereafter approved the Health and Safety Policy Statement.

5. **Aids and Adaptations Policy**

Mrs H. Anderson advised that the new Policy sought to prevent any backlogs in disabled adaptations taking place again. As part of the Policy development, consultation had taken place with occupational therapists of the 3 local authority areas in which the Association operated, staff and the Association's tenants.

The key objectives of the Policy was to adopt a preventative approach and allocate [REDACTED] per annum to fund the lower level adaptations which did not require a referral such as hand rails etc. It was hoped that this would reduce the likelihood of trips which could lead to injuries which then required significant adaptations.

The Policy would also foster more partnership working with the local authority occupational therapists to agree the prioritisation of the more critical urgent work. This was designed to assist tenants who were in hospital and could not return to their homes until their adaptations were carried out.

The Policy also introduced the option to consider and agree what the best long term option was for the tenant through discussions with the tenant and occupational therapist, as sometimes it may be more appropriate for the tenant to move to a property that fitted their needs better rather than carry out significant adaptations to a property that was unsuitable for the tenant.

Mrs Anderson highlighted that the Association usually applied for adaptation funding in April every year and this was not normally received until July which was why backlogs began. It was the intention moving forward that the Association allocate █████ in order to be able to instruct the works for the requests from the commencement of the year in order to keep all works within the year of funding rather than there being a 3 month delay to this process.

After full consideration, the Board approved the Aids and Adaptations Policy.

Mr C. Bell left the Meeting.

## 6. **Asset Compliance Management and Risk Specific Policies**

Mrs H. Anderson advised that the Policies were broadly what Group had adopted but had been tweaked to ensure it complied with Scottish legislation. Mrs Anderson advised that Asbestos Safety Management Policy had been written on reflect the low levels of asbestos that was contained within the Associations properties.

The Board noted that from a risk based approach, the Association had robust processes in place for mitigating and controlling its identified asset compliance risks.

The Board requested that the wording of item 1 of the key policy objectives in the gas safety and the fire safety policies should be worded in the same way. It was therefore agreed that the gas safety policy be amended to include the same text contained within the fire safety policy at this section.

The Board enquired why structural risks were not contained within the policies. Mrs Anderson advised that these types of works were picked up as part of stock condition survey works and works instructed as appropriate in line with SHQS compliance.

The Board thereafter approved the IHA Compliance Management Policy and individual risk specific policies.

## 7. **Loan Portfolio Return**

Mrs M. Hutchinson highlighted the Return reflected that the Association had repaid █████ of its loans to Group. It also reported on fixed and variable loans drawn with Lloyds.

The Board thereafter noted the content of the Loan Portfolio Return.

8. **Performance Report**

Mrs M. Hutchinson, referring to the summary of financial performance stated that the significant variances reflected that it had not been a business as usual year, due to the implementation of TOM. She had met with all budget holders to ensure that budgets were utilised as much as was feasible prior to year-end.

Mrs H. Anderson highlighted that given the increase in arrears to 2% it was unrealistic to achieve target by year end given the degree of change which had taken place.

Mrs Anderson stated that the Housing Services Manager and herself had gone through every arrears case over a 5 week period and had identified how the increase in arrears had arisen. Following this analysis, it had become apparent that further training was required for the Income Collection Team in relation to early interaction with tenants once payment arrangements had been broken and when the appropriate point was for passing cases on to the Housing Officers to deal with. Clarification was also required between these teams in order for them to have a seamless pass over of the service. It was intended that a half day workshop was carried out in order to work through practical examples to aid learning. It was also recognised that it was still early days in the new ways of working.

Following a query from Board regarding Universal Credit, Mrs Anderson stated that the effects of the roll out of Universal Credit had not been significant issue for the Association to date although it was early days.

A discussion followed on timescales for turning around the increase. Mrs Anderson stated that she was confident this could be turned around following further staff training to ensure that Income Collection and Housing Officers understood their roles and agreed processes for the timing of passing over the arrears collection service to ensure a continuity of service.

The Board recognised that it was early days in the process and there had been a period of significant change in the new ways of working and the implementation of a new computer system. They commented that they were appreciative of staff's efforts to date.

9. **Managing Director's Report**

[REDACTED]

Mr Hillard highlighted that further to the Equality and Diversity training which had been delivered in March, an action plan would be developed which would be presented to Board to give assurance of how the action plan met the policy objectives. It was intended that Group's Equality and Diversity Manager would attend this meeting.

Mr Hillard stated that the Association's 25<sup>th</sup> Anniversary celebration would be held at the Seamill Hydro on Thursday 17 May 2018. Invitations would be sent out to Board Members in due course.

10. **Unconfirmed Committee Minutes**

The Committee noted minutes of the:

- a) Group Neighbourhood Services Committee Meeting – 11 January 2018.
- b) Operations Committee Meeting – 20 February 2018.
- c) Governance & Staffing Committee Meeting – 13 March 2018.

11. **Any Other Business**

Mr P. Hillard paid tribute to Mr J. Wood thanking him for all his efforts since the Association had joined Group. Mr Wood had always been an advocate of Irvine with Group. He thanked Mr Wood for the way in which he had managed his relationship with the Association during his time in this role as Board Member. Mr Wood thanked Mr Hillard for his words. He stated he had enjoyed his time on the Board and had always sought to ensure that the Association preserved its right to independence whilst also recognising it was part of the Group.

12. **Date of Next Meeting**

Board Meeting – 5.30 p.m. Tuesday 29 May 2018, 44-46 Bank Street, Irvine.

P. Hillard  
Secretary  
28 March 2018  
PH/db

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This section of text will be subject to redaction prior to the publication of minutes on the website.