

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Twenty Fourth Annual General Meeting (AGM) of the Irvine Housing Association held at 5.30 p.m. on Tuesday 15 August 2017 at the Gailes Hotel, Marine Drive, Irvine

Minutes

Present:

Mr D. McEachran, Chair

Mr C. Bell	Mr T. McLean
Mrs S. Brown	Mrs M. McPhail
Mr G. Darroch	Miss J. Meek
Mr J. Dunlop	Ms J. Murray
Mrs F. Dunlop	Brig R.A.S. Rickets
Mr T. Farrell	Mr P. Cleminson (The Riverside Group Ltd)
Mrs F. Flannigan	Mr B. Sturgeon
Mrs J. Galbraith	Mr D. Thornton
Mrs K. Gatherer	
Mr S. Grubb	
Mr H. MacLeod	
Mrs M. Marks	
Mrs J. Mason	
Mr P. McGregor	
Mr W.D. McKeen	

In Attendance:

Mr P. Hillard	Managing Director and Secretary
Mr P. Cleminson	Senior Finance Business Partner, The Riverside Group
Mrs D. Boyle	Governance & Company Secretarial Assistant

1. Preliminaries

a) Quorum

The Meeting noted that a quorum of 17 was present.

b) Appointment of Chair

It was noted that the Chair of the Association, Mr D. McEachran, would preside as Chair of the Meeting in accordance with Rule 26(a).

- c) The Chair welcomed all Shareholders present to the Twenty Fourth Annual General Meeting (AGM) of Irvine Housing Association and reminded attendees that only items specified on the Agenda would be discussed as part of the formal business of the AGM, and that if any member wished to raise other points they should do so at the close of the meeting.

2. Apologies for Absence

Mrs C. Farrell, Mrs F. Garven, Mrs S. Gilmour, Mr J.P. Gilmour, Mrs W. Johnstone, Mrs C. Legget, Mrs M. Miller, Mr J. Miller, Mr D.K. Nerurkar, Mr D. Riley, Mrs C. Taylor, Mr A.F. West, Mrs J. Hamilton, Ms M. McGaw, Mr R. Frew, Mrs A. Frew, Mr A. McPhail, Ms J. Browne, Mrs J. Sweeney, Mrs M. McLean and Mr A. Brown.

3. Previous Minutes

The minutes of the Twenty Third Annual General Meeting, held on Tuesday 16 August 2016, were approved on the motion of Mrs M. Marks which was seconded by Mr S. Grubb.

4. Matters Arising

There were no matters arising.

5. Chair's Report

Mr D. McEachran reported on an exciting and quick first year as Chair of Irvine Housing Association.

He reported that much of the year had been spent renewing and developing the Business Plan and also implementing the new Target Operating Model. Carrying out this detailed work, would then allow the Association to focus on opportunities and to build badly needed affordable homes.

With support from the Association's partners, the Riverside Group and North Ayrshire Council, the Association intended to begin the development of new build properties in Tarryholme, Irvine during the

current financial year. The Association also hoped to build many more homes in the next few years.

Mr McEachran stated that with Big Lottery funding, the Association's Money Advice and Affordable Warmth Service had again been able to provide practical support to customers throughout its areas of operation, helping hundreds of customers to save almost £700,000 in the past year.

Mr McEachran commented that it was the people who got things done. He paid tribute to the staff who worked with enthusiasm and dedication to deliver the quality housing and find new ways of working to improve and simplify systems and speed up repairs, as the Association strived towards becoming a leaner, smarter and more efficient business.

Mr McEachran congratulated the Association's staff team on yet again achieving all of its Key Performance Indicators ahead of targets. This result was highly commendable, given that targets were increasingly challenging year on year.

Mr McEachran advised that the Association had taken the decision during the year to exit the Strathclyde Pension Fund which had resulted in a reduced operating surplus for the year. The decision, did, however, put the Association in a healthy position moving forward and significantly reduced the risk to the Business Plan.

Mr McEachran reported on the changes to the Board during the year, with many experienced members retiring from the Board. An extensive recruitment exercise had taken place during the year and it was intended that some new appointments would be made later in the meeting and also in the near future.

Mr McEachran ended by offering his thanks to the tenant volunteers who served on the Scrutiny Panel and the Tenants and Residents Associations who made a very positive contribution in helping the Association to deliver a quality service. He also thanked the Board and Staff for all their support in his first year as Chair.

Mr P. McGregor enquired if the new Target Operating Model had now been fully implemented. Mr P. Hillard confirmed he would come on to talk about this as part of his presentation.

6. Managing Director's Report

Mr P. Hillard stated that the Chair had reflected on the year gone by, whereas, his presentation would focus on looking forward.

Mr Hillard advised that both the Association and the Riverside Group had recently approved new Corporate Plans. The Association's Plan detailed what its aspirations were in the next 3 years and also

the direction of travel it hoped to go in beyond that. Mr Hillard stated that the Corporate Plan was available on the website and hard copies of it were also available on request.

Mr Hillard stated that as part of the review of the Corporate Plan, appropriate cognisance had been taken of the current operating environment. The key factors currently affecting the operating environment were:

- Welfare reform and austerity – there was an acknowledgement that customers' income would be restricted moving forward.
- The ageing population – with people living longer, their housing need changed and there was an increase in the demand for smaller households and also care and support services.
- The Scottish Government's target to build 50,000 new homes by 2021 – 35,000 of those new homes were to be for social housing and favourable funding levels were available to deliver the target.
- Regulatory standards and required investment in our existing homes – in the light of the Grenfell disaster, it was expected that there would be a tightening up of health and safety legislation and, with it, would come more implications for the construction industry.
- Advances in technology – meant that IT services were being utilised more and more to deliver services in different ways.

Mr Hillard then went on to talk about the opportunities and challenges that existed such as:

- The requirement to try and keep rent levels at an affordable level for the Association's customers. Mr Hillard stated that there had been recognition that rent increases of RPI+1% were no longer sustainable and the Association planned to move away from such increases as soon as it could. This would, however, restrict the income of the Association.
- Customer satisfaction levels – Mr Hillard advised that current satisfaction levels were good, however, there was room for improvement and the Association wanted to achieve excellent customer satisfaction levels.
- Investing in housing stock – the Business Plan supported the investment required to housing stock.
- Building new homes – there was a good opportunity to meet increasing demand for housing due to current grant levels.
- Implementation of the new Target Operating Model – introducing new ways of delivering services which was hoped would improve levels of satisfaction whilst at the same time provide the services in a more efficient way.

Mr Hillard stated that the Business Plan which had been agreed would support the delivery of approximately 400 new homes in the

next 5 years. There were currently 86 properties planned at the Tarryholme site. The Association was also looking at other development options across Ayrshire and Dumfries & Galloway.

Mr Hillard reported that the Association was also investigating the option of acquiring further housing stock in its key areas of operation and preliminary discussions were currently in progress. In order to grow the business, the way the Association wanted to, further lending was required and this would be provided by the Riverside Group. Following a query from Mr P. McGregor, Mr Hillard confirmed that lending from the Riverside Group would be on commercial, but more favourable terms than could be achieved from the private sector. The terms of any lending from Group would be over a 25 year period.

Mr Hillard highlighted that with some customers aspiring to use more on-line services, the Association and Group planned to provide more up-to-date services, with customers being able to pay their rent or report repairs through the website etc. Staff would be provided with up-to-date equipment which allowed them greater flexibility and to be working out on estates with customers. It was, however, recognised that some customers did not wish to utilise such services, and those customers would still have access to the Association's services in other ways.

Mr Hillard stated that the Association wanted to continue to invest in its stock internally and externally. The Association had recently carried out a stock condition survey in order to inform the level of investment which was needed, and the results of this survey were currently being factored into the Association's Business Plan and Investment Plan.

Mr McGregor stated that there seemed to be a significant amount of investment being carried out to properties in the Ayrshire area when there had not been much work being carried out in the Dumfries area, since the modernisation programme in Stakeford many years ago. Mr Hillard stated that the works which had been carried out to the Stakeford properties years ago had been very significant. Investment works for all of the Association's housing stock was planned around the needs of the properties.

Mr Hillard stated that the Association had always had an entrepreneurial spirit to do more and deliver more for its customers, and this spirit continued.

Mrs M. Mason expressed concern that applying low rent increases could compromise the level of investment in the Association's housing stock. Mr Hillard stated that the current Business Plan delivered the efficiencies to allow for the lower rent increases moving forward, whilst at the same time maintaining a strong financial position in order to keep up with the investment its housing stock required.

Mr Hillard referred to the organisational change which the Association was currently going through, with the implementation of the Target Operating Model. Through this process, some staff had chosen to leave the organisation and some new staff were currently being recruited. There was one staff member in particular, who Mr Hillard wanted to acknowledge for their contribution to the Association over the years. Mr Hillard formally thanked Mrs P. Rodgers for her dedication to customers and the staff team throughout her many years served at the Association.

7. Election of Board Members

Mr D. McEachran explained that, in accordance with Rule 39(a), a third of the Board was required to retire at the AGM. Mrs A. Robertson, Mr C. Bell and himself were therefore standing down in accordance with Rule 41. Mrs F. Garven had been appointed as co-optee during the year and would also stand down in accordance with Rule 38(a).

Mr McEachran confirmed that Mr C. Bell and himself had offered themselves for re-election and had delivered the appropriate election forms to the Association. Election to the Board forms had also been received from Mr D. Thornton and Mrs J. Galbraith.

The Meeting was advised by the Chair that Rule 40(a) stated that, where Board Members offering themselves for re-election, together with any other Members of the Association duly nominated for election, did not exceed the number of Board Members to be elected, then said Members should be declared to have been duly elected or re-elected.

Mr McEachran, under Rule 40(a), thereafter declared Mr Bell and himself to have been duly re-elected and Mr Thornton and Mrs Galbraith to have been duly elected to serve on the Board of the Association.

8. Annual Accounts and Auditor's Report

Mr D. McEachran advised that each Shareholding member had been given access to a copy of the accounts, and that there were spare copies available for any member who had not brought their copy with them.

Mr P. Cleminson then gave a short presentation on the annual accounts and provided a summary of the Association's Statement of Comprehensive Income and the Statement of Financial Position.

Mr Cleminson highlighted that the Association had had a solid and normal year. The key difference which had affected the

Association's operating surplus in the year had been the one-off cessation payment to the Strathclyde Pension Fund in order to exit the Fund. This decision had been taken in order to remove a significant risk and uncertainty from the Business Plan and ensure that the Association was in a more sustainable position moving forward.

There being no further questions from Shareholders, the Annual Accounts and Auditor's Report was thereafter adopted on the motion of Mr C. Bell which was seconded by Ms J. Murray.

7. Appointment of Auditors

Mr D. McEachran advised that in accordance with Rule 73(a), an auditor appointed to audit the accounts and statement of financial position of the Association for the preceding year of account shall be re-appointed as auditor of the Association for the current year of audit, subject to satisfying the relevant criteria.

Mr McEachran confirmed that KPMG satisfied the required criteria and proposed a resolution that KPMG be re-appointed as auditors of the Association. Mr P. McGregor seconded the resolution and Mr McEachran confirmed that the resolution was carried.

There being no further business, the Chair declared the Meeting closed.

P. Hillard
Secretary
17 August 2017
PH / db