

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 29 MAY 2018

ANNUAL RETURN ON THE CHARTER (ARC)

Following full review of the draft Return, Board approved submission of the ARC Return within the SHR Portal.

ESSH RETURN

Following full review of the draft Return, Board approved submission of the ESSH Return within the SHR Portal.

LLOYDS MANDATE FORM

The Board approved the authorised signatories on the revised form.

LITHOGRAPHICAL CHEQUE SIGNATORIES

The Board approved the authorised signatories on the revised form.

CORPORATE PLAN

Board noted that the Risk Management Policy and Corporate Risk Map were due for review and noted the content of the current Internal Management Delivery Plan and Corporate Risk Map.

PERFORMANCE REPORT

The Board discussed the revised 2018-19 KPI's. Officials clarified that setting the Relet target at 8 days would allow staff to focus on key priorities and provided capacity for difficult-to-manage voids. The First Visits Successfully Completed target had been changed to 8 weeks following consultation with staff members to allow more flexibility, however, officials advised that staff expected the visits to be carried out earlier than the 8 week period.

Board noted the operational performance and compliance indicators reported in Period 1.

DE MINIMUS PAYMENTS & BENEFITS

Board approved the new reporting processes for the monitoring of De Minimums Payments and Benefits to Staff and Board through the monitoring of the Gifts and Hospitality Register.

WHOLE BOARD APPRAISAL 2018

Board noted the content of the results report of the Whole Board Appraisal. Mr Hillard agreed to prepare a draft action plan in order to address key areas identified for development.

MD REPORT

Noted the position in regards to the Association's business plan and noted that Group Treasury would manage any associated discussions in relation to Corporate Plan aspirations.

Noted that the review of Board and Committee structure would be presented at the June 2018 Board Meeting.

Board were advised of the position in terms of the lease for the premises in Bank Street.

Noted that the Tarryholme site had been officially handed over to the contractor on 28 May 2018 and the proposals in terms of promotion of the development.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Twenty Third Meeting of the Board held at 5.30p.m. on
Tuesday 29 May 2018 at 44-46 Bank Street, Irvine, Ayrshire

Minutes

Present: Mr D. McEachran (In the Chair), Mrs M. Burgess, Mr G. Darroch, Mrs J. Galbraith, Mr R. Hill, Miss J. Meek, Mrs J. Murray and Mr D. Thornton*.

In attendance were Mr P. Hillard, Mrs H. Anderson, Mrs A. Fox-Smith, Mrs M. Hutchinson, Mrs K. Martin and Ms E. Turner ** (Items 1-3)

Apologies for Absence

Mr C. Bell, Mrs F. Garven and Ms C. McGuinness.

Declarations of Interests

None.

* via conference call

** via video conference

1. **Preliminaries**

Mr D. McEachran noted that Ms C. McGuinness had now been formally appointed as the parent nominee to the Irvine Housing Association (IHA) Board.

Mr McEachran proposed that Agenda Items 5.1 Financial Regulations and Scheme of Delegation and 5.2 Treasury Management Policy, be delegated to the Audit and Risk Committee for a full review and authorisation. Mr R. Hill noted that he had shared his queries and comments regarding these two items with Mr P. Hillard and this could be used as a starting point for discussion at the Committee meeting. The next Audit and Risk Committee meeting was scheduled to take place on 12 June 2018. This was agreed by the Board.

Mr Hillard then suggested that Agenda Item 5.9 MD Report, be taken as the first item of substantive business to allow input from Ms E. Turner who had joined the meeting by video conferencing from Riverside in her capacity as Head of Treasury.

2. **Minutes of the Previous Meeting held on 27 March 2018**

Following a comment from Board it was agreed to also redact the final paragraph on Page 3 of the Financial Plan section of Minute Item 2 (c).

In response to a query from Board, Mrs H. Anderson advised that several tenants who had been adversely affected by the rent restructure had contacted officers seeking more information on the rationale of the restructure and also to seek advice on payment. Those tenants had been referred to the money advisors who had noted that in some cases the tenant was under occupied in their current property which was resulting in an unaffordable rent, these tenants have been linked in to the Housing Options team to consider and explore potential for downsizing.

The minutes of the Board Meeting held on 27 March 2018 were approved and signed.

Minutes of the Special Board Meeting held on 30 April 2018

The minutes of the Special Board Meeting held on 30 April 2018 were approved and signed.

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

There were no matters arising.

3. MD Report

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

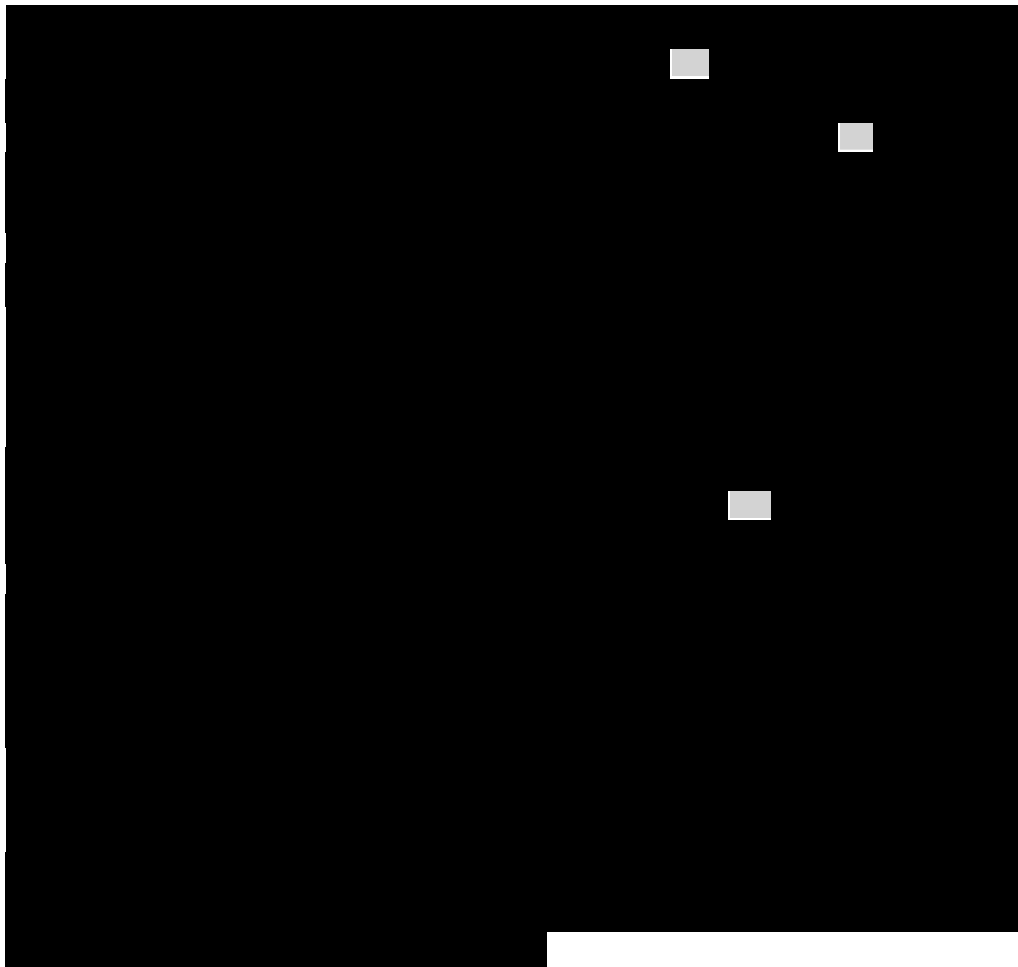
[REDACTED]

[REDACTED]

Members of the Board sought clarification on the term FRS102. Mrs M. Hutchinson advised this was an accounting term and a change to the way in which the annual accounts were prepared.

Ms Turner enquired if there were any queries regarding Agenda Items 5.5 or 5.6 to be taken later on the Agenda. Board confirmed there were no queries on these. Ms Turner left the meeting.

Regarding the review of the terms of reference and responsibilities of Board and Committees, Mr Hillard noted that a detailed timetable would be presented at the June meeting, with proposals being agreed at the meeting held immediately after the AGM and implemented thereafter.



Mr Hillard advised that the Tarryholme site had officially been handed over to the contractor on 28 May 2018. It had been agreed to promote the development by doing a photo opportunity regarding the two apprenticeships that had been created by the contractor, promoting job opportunities created within the community by the development.

4. **Annual Return on the Charter (ARC)**

Mrs A. Fox-Smith advised that the Scottish Housing Regulator required all social landlords to complete the ARC annually by 31 May 2018 and that Board were required to approve the return prior to submission.

Following implementation of the new housing management system in February 2018, the reports used to determine results had to be re-written. The opportunity was taken to have more reports written so the process could be more automated, allowing for a clearer validation of reporting and this year more detailed commentary had been provided in instances of variance from previous years. Mrs Fox-Smith proposed to take Board through the key points within the return.

Referring to staff turnover, this was reported as 33.33% and was largely due to TOM. Mrs Fox-Smith confirmed that turnover of staff had been high, but also pointed out that a few members of staff had moved to be Riverside employees, and TOM had created job opportunities within the Income Collection team. Board felt the regulator would see this as a positive in that efficiencies were made by IHA noting that the key point was the service provision to customers.

Board asked if officers would be able to take members through a comparison exercise of IHA's results to those of local peers. Mrs Fox-Smith advised that the SHR website had the facility to do this.

Mrs Fox-Smith confirmed that a great level of detail was included within the ARC return as opposed to standard management reporting.

Referring to overall satisfaction, Mrs Fox-Smith advised that almost all results had increased from last year, noting that IHA had moved to monthly telephone surveys in 2016, with the bulk of those having been carried out in June 2016, however surveys were now being spread evenly over the year. The information held for Ethnicity of Staff and Board had greatly increased, with the number of 'unknown' dropping significantly.

Last year we reported SHQS compliance at 100% and this year it was 98.27%. This was due to increased intelligence available following the recent stock condition survey. Complaints responded to in full within the SPSO timescales had decreased, however Board should note that only two Stage 2 complaints did not achieve target over the course of the year.

Board referred to the result for Tenants Very Dissatisfied with their Property and queried if SHR would question this. Mrs Fox-Smith advised this was a relatively small percentage of customers and this was not an area of concern. Mr P. Hillard advised that SHR would look at performance of other organisations and how IHA compared.

Members of the Board sought clarification that 20% of tenants were dissatisfied when moving into their new home. Mrs Anderson referred to the Safe, Clean and Clear policy operated by IHA that required void properties to be brought to a lettable standard. Board enquired as to the level of communication with tenants regarding what repairs would be carried out prior to a tenant moving in, commenting that if tenants were made aware of the process for repairs being carried out 20% being dissatisfied was still high. Mr Hillard noted that the safe, clean and clear policy allowed for the 6.6 day turnaround of voids, advising that properties were subject to a property MOT once the tenant had moved in which detailed the works to be carried out to the property. Mrs Fox-Smith noted the low level of refusals. Board queried if repairs could be carried out to the property if identified at the post inspection stage whilst the previous tenant still occupied the property, however officers noted the issues of gaining access. Mrs Anderson noted that many tenants moving into a property were doing so with very little and it was always going to be difficult to meet their expectations and satisfaction levels, however she did feel this was an area to be further explored by staff.

The Board noted that the increased performance was an excellent achievement, but sought more information on the level of satisfaction for factoring. Mrs Fox-Smith advised that this was the first survey carried out by IHA for a few years, and in those interim years there had been many developments including court action taken against customers who were not paying. Mrs Anderson advised that given the recent cases at court, she felt dissatisfaction was less to do with the quality of service and more to do with the fact many owners did not feel they should pay for a factoring service at all. Mr Hillard noted that the recovery rate for factoring had increased from approximately 46% to 66% so more people were now paying. Board asked that positive commentary be added within the customer relationship box, noting overall increase in performance and factoring recovery.

Board queried the Section 5 Referrals figure. Mrs Fox-Smith noted those were all in Dumfries & Galloway, with the figure reported a combined figure across all operating areas. Members of the Board also enquired if Section 5 Referrals could be area specific, however officers noted that this was the reporting method specified by SHR.

Mrs Fox-Smith noted that there had been one eviction and six abandoned properties. Following a query from Board, Mrs Anderson confirmed that for tenants who were served notice that did not result in eviction, all had entered into an arrangement to pay.

Mrs Fox-Smith advised that there had been no short SST's issued this year.

Regarding Anti-Social Behaviour, performance had decreased, largely due to the staffing changes throughout the year.

The adaptations figure reported this year had increased to 100% from 46.7% last year, due to the discussions held and decisions taken by Board.

Mrs Fox-Smith advised that the rent arrears figure had decreased from 2.7% last year to 2.68% this year.

Members of the Board queried if there was any expected risk with travellers on the Tarryholme development site noting this would present a health and safety risk and Mr Hillard pointed out that the site was fully fenced off.

Board thereafter approved the ARC return for 2017-18 for submission to SHR by the Managing Director.

5. **EESHS (EESHS) Return**

Mrs A. Fox-Smith noted that all social landlords were required to complete an EESHS return by 31 May 2018 to Scottish Housing Regulator (SHR).

In response to a query from Board, Mrs H. Anderson confirmed that whilst capital funding allocation had increased, achievement of the EESHS target would be approximately 2023-2024. Discussions had taken place with the Scottish Government and they had advised that if the 2020 target could not be achieved landlords must demonstrate that a plan was in place to work towards EESHS compliance.

Board enquired if efficiency levels C & D provided a trade off in terms of cost. Mrs Anderson noted that in terms of work to be carried out, for example cavity wall insulation, this would improve the EPC rating. To move a property more than one banding, other approaches would be required such as energy efficient lighting and floor insulation which would be costly to implement but not cost effective for the tenant, so would be unlikely to justify securing the higher efficiency rating.

To achieve EESHS the majority of IHA properties would require works such as External Wall Insulation, these works on average improve a property energy rating by one band. Board suggested that tenants could be encouraged to use energy efficient appliances within the home and Mrs Anderson noted that officers could link with the Energy Agency to work with tenants.

Board thereafter approved the EESHS return for 2017-18 for submission to SHR by the Managing Director.

6. **Lloyds Load Mandate Form**

Mrs M. Hutchinson confirmed that the proposed changes to the mandate form reflected that Mr J. Wood and Mrs R. Farrar be removed as authorised signatories and that Ms C. McGuinness be added as an authorised signatory due to recent organisational changes.

The Board approved the proposals for authorised signatories on the new forms.

7. **Lithographical Cheque Signatories**

Mrs M. Hutchinson confirmed that the proposed changes to the lithographical cheque signatories reflected that Mr J. Wood be removed and that Ms C. McGuinness be added as authorised signatories due to recent organisational changes.

The Board approved the proposals for authorised signatories on the new forms.

8. **Corporate Plan Update**

Mr P. Hillard referred to the Internal Management Delivery Plan attached at Appendix 1 which allowed Board to monitor progression against priorities set.

Mr Hillard reminded Board that the Risk Management Policy would be subject to change over the summer months and the Corporate Risk Map would be updated accordingly.

Referring to the Corporate Risk Map, Mr Hillard noted the changes made following the last Audit and Risk Committee meeting. The generic Business Plan risk had been removed, with wording tightened on the specific risks contained with the schedule. A new risk, Riverside Performance, had been added. There would continue to be ongoing discussion with the Group Audit team who would share all relevant information with us.

Board noted the content of both the Delivery Plan and the Corporate Risk Map.

9. **Performance Report**

Mrs M. Hutchinson provided a brief overview of the P12 year-end financial performance.

Mrs H. Anderson advised that for 2018-19, the KPI's had been revised with new definitions and targets. Mrs Anderson provided an overview of each indicator and the targets set, with discussion on key points noted below.

To clarify the target for former tenants arrears, Mrs Anderson noted that target would be calculated each month by dividing each months target by 12. Mrs Anderson advised that the target for P1 was £545, with the actual performance being over £1000, therefore the result was over 215%.

Rent Lost When Homes Empty was a new target which would monitor the % of gross rent lost for that month.

The Relet target had been set at 8 days. Board queried why this had been changed when IHA's performance in meeting the previous target of 7 days was exceptional. Mr P. Hillard commented that it only took a couple of significantly difficult situations and the results would be skewed. The view had been taken that it would more beneficial to have housing management staff able to focus their priorities to other areas of the business rather than having to spend so much time focussing on voids. Mrs Anderson noted that the current figure was sitting at 10.2 days for relets, simply due to circumstances.

Complaints Resolved at First Stage was a new indicator which would monitor complaints resolved without having to escalate further.

In response to a query from Board regarding setting the Repairs target higher, Mrs Anderson noted that this was a realistic target as this can fluctuate throughout the year.

The new target for Call backs Within 24 Hours reflected the new operating system.

Regarding First Visits Successfully Completed, Mrs Anderson advised this had been changed to 8 weeks following discussion with staff. Board queried if it was expected that issues may arise with income collection by extending the timescales. Mrs Anderson advised that staff expected the visits to be carried out before the 8 week period, by extending the target it simply allowed staff more flexibility.

Mrs Anderson took Board through the operational performance reported in Period 1, highlighting any areas below target, and also noting that all compliance indicators had reached 100%.

10. **De Minimus Payments and Benefits**

Mr P. Hillard noted that the proposed change to the internal monitoring process would allow for De Minimus payment and benefits for Staff and Board under the value of £300 to be reported annually to the Chairman and Managing Director.

Board agreed:

- a) That gifts and hospitality given to Board and Staff members continues to be recorded in the Gifts and Hospitality Register in line with appropriate policies
- b) That the amounts recorded in the register for individual Board and Staff members are regularly monitored and reported annually to the Chair and Managing Director respectively
- c) The 'De Minimus' Payments and Benefits Log is no longer reported to Board, unless any Board or Staff member exceeds the £300 limit within the year.

11. **Whole Board Appraisal 2018 Results Summary**

Mr P. Hillard noted the content of the results report and advised that he would develop a draft action plan which would identify key areas for improvement. Mr Hillard asked that if any Board member had specific recommendations or feedback that they liaise directly with him with suggestions.

12. **Unconfirmed Committee Minutes**

The Board noted minutes of the:

- a) Group Neighbourhood Services Committee Meeting – 1 March 2018.
- b) Audit & Risk Committee Meeting – 10 April 2018.

13. **Date of Next Meeting**

Board Meeting – 5.30 p.m. Wednesday 27 June 2018, 44-46 Bank Street, Irvine.

P. Hillard
Secretary
30 May 2018
PH/km

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