

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 19 SEPTEMBER 2019

SCOTTISH HOUSING REGULATOR'S REGULATORY FRAMEWORK – ASSURANCE STATEMENT

The Board approved the Assurance Statement for signature by the Chair and submission to the Scottish Housing Regulator.

GOVERNANCE FRAMEWORK

The Board approved the revised Governance Framework.

POLICIES REVIEW

The Board approved the Code of Conduct for Employees and Redundancy and Redeployment Policy.

FREEDOM OF INFORMATION – GUIDE TO INFORMATION

The Board approved the draft Guide to Information and delegated authority to the Managing Director to approve the Freedom of Information Policy.

IRVINE HOUSING ASSOCIATION NAME CHANGE

The Board noted the update report in relation to the current consideration of a proposed name change.

STRATEGIC APPROACH TO BENCHMARKING

The Board agreed that the Association's benchmarking activities would be utilised via Housemark and in-house analysis.

PERFORMANCE REPORT

The Board noted that the roll-out of Universal Credit continued have an impact on arrears levels. Staff were working closely with customers to minimise the impact of the roll-out.

The Board also noted that a number of new initiatives were being considered with a view to improving customer satisfaction levels. The categories of

dissatisfaction were also being analysed in detail to identify potential areas for improvement.

MD REPORT

The Board noted an update from the Managing Director in relation to:

- Notifiable Event Procedure
- Treasury Funding
- Succession Planning for the Chair
- Holmelea properties, Kilmarnock
- G8 Governance, Succession Planning and Diversity Report.

SCRUTINY REPORT

The Board noted the content of the first scrutiny report by the Customer Involvement Panel and the associated action plan.

PROGRESS REPORT ON DEVELOPMENT

The Board noted the proposed developments report.

PENSIONS

The Board considered and agreed proposals to move to the Legal and General Worksave Mastertrust pension scheme.

BOARD MEMBER CODE OF CONDUCT ISSUE

The Board considered a report in relation to a breach of the Board Member Code of Conduct and agreed actions to resolve the issue.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Thirty First Meeting of the Board held at 5.30p.m. on
Thursday 19 September 2019 at 44-46 Bank Street, Irvine, Ayrshire

Minutes

Present:

Mr D. McEachran (In the Chair), Mr C. Bell (Items 1-7), Mrs M. Burgess, Ms M. Crearie, Mr C. Donohue, Mrs J. Galbraith, Ms C. McGuinness, Mrs J. Murray and Mr D. Thornton

In attendance were Mrs H. Anderson, Mrs D. Boyle and Mrs A. Fox-Smith.

Apologies for Absence

Mr G. Darroch and Mr R. Hill.

Declarations of Interests

None.

1. **Minutes of Previous Meeting – 230th Board Meeting held on 26 June 2019 and the Special Board Meeting held on 21 August 2019**

The minutes of the 230th Board Meeting held on 26 June 2019 and the Special Board Meeting held on 21 August 2019 were noted and approved.

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

There were no matters arising.

3. **Scottish Housing Regulator Regulatory Framework – Assurance Statement**

Mr P. Hillard elaborated on the process which Officers had begun 4 months prior, having reviewed the Regulator's new Regulatory Framework. Each requirement and regulatory standard had been assessed to form a judgement on whether the Association complied with each of these and what evidence the Association had to support this assessment.

Midway through this process, the Scottish Federation of Housing Association issued a toolkit for assessing compliance. This toolkit provided suggested questions that Boards should be asking to gain appropriate assurance of compliance. Indeed, these questions had been presented in the compliance report and the response sought to answer these questions as appropriate. Mr Hillard advised that all of the evidence gathered to support the responses made had been made available to the Board on the REX.

Mr Hillard advised that Group's Internal Audit had also spent 2 days in the Association's offices, reviewing the draft compliance report and also spot checking the evidence bank. The Internal Audit report confirmed that a robust process for assessing compliance had been carried out.

Mr Hillard highlighted that in order to make its Assurance Statement, the Board were required to have reasonable assurance of compliance and also to form a judgement on the materiality of any areas of non-compliance.

The Board commented that the process for assessing compliance had been comprehensive. In response to query from Board, Mr Hillard confirmed that section 7 concentrated on group structures. Given that the Association's only subsidiary was dormant, the comments made in the report reflected this.

In reference to areas of non-compliance, Mr Hillard advised that the guidance on Assurance Statements had been used to form a judgement on the materiality of any non-compliance. This consideration had determined that the only area which required mention in the draft Assurance Statement was in relation to meeting the ESSH requirements and this was to highlight that this would be an area of material non-compliance in the future if the Association was not able to complete its future plans in time. The Board noted that currently 83% of the Association's stock was ESSH compliant.

Mr Hillard confirmed that this was not the only area identified for action as part of the process and it was intended that all future proposed actions would be monitored by the Audit and Risk Committee until completion.

Mr Hillard advised that he had consulted with the Chair and the Chair of the Audit and Risk Committee in the drafting of the draft Assurance Statement presented.

The Board discussed the draft Assurance Statement and agreed it would prefer the wording of the statement to reflect that the Board was confident that it had taken all appropriate and reasonable steps to ensure the accuracy of the Statement. Subject to this change being made, the Board approved the Assurance Statement for signature by the Chair and submission to the Scottish Housing Regulator. The Board agreed there was no longer a requirement for a Special Board Meeting in October to consider this matter further.

4. **Governance Framework**

Mr P. Hillard advised that the Governance Framework had been brought up to date, making changes in relation to the current Board / Committee structure, Freedom of Information requirements and also the new approach to customer involvement. The Board noted that the Appendices to the Framework had not been attached to the paper, however, had been made available to Board Members on the REX. Mr Hillard advised that if approved, the new Governance Framework would also be included as part of the regulatory compliance evidence.

After consideration, the Board approved the revised Governance Framework.

5. **Policies Review**

Mr P. Hillard advised that the draft Code of Conduct for Employees and the Redundancy and Redeployment Policy were being proposed to bring the Association in line with Group's approach and up to date for the Association's current operating environment. Other HR Policies were usually delegated to the Managing Director to approve, however, given the nature of the Policies presented, it was considered appropriate for the Board to approve these particular Policies.

Mr Hillard highlighted that the Redundancy and Redeployment Policy made reference to Unite, Riverside's recognised union, rather than Unison, the Association's recognised union, and this would require to be updated.

Mr Hillard advised of a material change in the proposed new Redundancy and Redeployment Policy, in that redundancy payments

would be calculated based on 2.5 weeks for every year of service rather than 2 weeks which the current Policy stated. The Board queried if the proposed change was in line with Group's Policy. Mr Hillard confirmed that it was.

The Board thereafter:

- a) approved the proposed Code of Conduct for Employees and the Redundancy and Redeployment Policy, subject to the change of union name.
- b) delegated authority to the Managing Director to negotiate and approve any non-material changes to the policies that could arise through the union consultation process, subject to these changes being reported to the next Board Meeting.

6. **Freedom of Information – Guide to Information**

Mr P. Hillard advised that the draft Guide to Information complied with the Scottish Information Commissioner's (SIC) Model Publication Scheme which the Board had previously agreed to adopt. The draft Guide to Information had been based on the Scottish Federation of Housing Association's (SFHA) Template Guide to Information which had been signed off by the SIC. Mr Hillard advised that the only deviation from the SFHA's template was when the Association did not have a specific policy in place. The Board noted that all information referred to in the Guide to Information would be available on the website from November. Group's Marketing and Communications Team would develop the website to ensure that a link to the Freedom of Information section of the website was available on the homepage.

Mr Hillard advised of the intention that the Guide to Information would be updated on a quarterly basis. This would include the publication of Board papers and Board Member expenses. Following queries from the Board, Mr Hillard confirmed that appropriate training for staff would be required in relation to the circumstances where exemptions on certain information could be applied. Mr Hillard also undertook to clarify the format for reporting expense claims.

Mr Hillard advised that Group would be employing a specialist Freedom of Information Officer who would provide advice and send out all FOI requests on the Association's behalf. Mr Hillard stated that specific training would be required for those staff involved in the collation of information for sending to Group's member of staff and also more broader awareness was to be arranged for all Association staff and the Customer Contact Centre staff.

The Board discussed and enquired on the proposed charging structure. Mr Hillard advised that the Association had used the charging structure

of a company which the SFHA had provided as an example within their Template document. The Board were keen that no customer was disadvantaged in any way if they did not have internet access. It was agreed that customers would be provided with the appropriate access should it be required.

Mr Hillard advised that the Association would be required to provide quarterly statistical reports to the SIC. It was intended that these statistics be reported to the Audit and Risk Committee.

Mr Hillard advised that a FOI Policy and Procedures would also require to be developed prior to 11 November 2019. It was therefore proposed that authority be delegated to the Managing Director to approve the final Policy. This would subsequently be made available to Board Members.

A discussion the followed on the intended review of the charging structure for the Association's Group charge which may include discussions regarding staffing.

After discussing and noting the general update given in the report, the Board:

- a) approved the draft Guide to Information.
- b) agreed to delegate authority for the approval of the Association's FOISA Policy to the Managing Director.

7. **Irvine Housing Association Name Change**

The Board discussed the options for seeking appropriate customer consultation in relation to a potential name change. The Board were supportive of the proposed market research approach rather than a full tenant consultation, given the potential for differing responses in different areas.

Mr Hillard advised of the appropriateness of intensive consultation with shareholders who would ultimately vote in relation to any proposed name change. As part of the consultation, all shareholders would be made aware that the company would remain a Scottish subsidiary of Group and that tenants would not be transferring into the Riverside Group. After discussion, the Board suggested that the results of the market research exercise should be factored into the communication strategy for consulting with shareholders. This was agreed.

The Board thereafter noted the update report in relation to current progress on the proposed name change.

Mr C. Bell left the Meeting.

8. **Strategic Approach to Benchmarking**

Mrs A. Fox-Smith stated that Officers had looked at different benchmarking options. Board Members were supplied with significant statistical analysis at the Board Strategy Day earlier in the year, so were able to see the useful data reports which could now be delivered by a dedicated in-house member of staff.

Following a query from Board, Mrs Fox-Smith stated that historically there were not the same levels of Scottish RSL membership of Housemark, however, the Scottish client base was now growing.

After full discussion, the Board agreed to continue to utilise Housemark to benchmark and to combine this with In-House analysis moving forward which would deliver good comparison information for the Association using the Regulator's website.

9. **Performance Report**

In relation to a query from Board on the Financial Performance report, a discussion followed in relation to underspends and how improvements were required by budget holders in order to ensure that budgets were being actively utilised when projected.

Mrs H. Anderson referring to the Operational Performance report, highlighted the new reporting format following the move to the Tableau system. The Board noted that this was a more efficient system with improved functionality.

Mrs Anderson advised that arrears had continued to increase, albeit, at a slower rate. A key driver of this increase was the continued roll-out of universal credit. Staff continued to work closely with customers to minimise the impact of this roll-out. They were also strengthening links with 1st Alliance Credit Union and encouraging new tenants to register at let stage, this was, however, on a voluntary basis. The Board noted that an additional Housing Officer resource was being recruited which would help to improve income collection in high priority areas such a Dumfries and Drongan. This new post would be based in the Dumfries office.

Mrs Anderson stated that customer satisfaction required to be improved and Board were aware that this was a Group-wide priority for the year. It had been recognised that a greater understanding of the reasons for dissatisfaction was required. A number of new initiatives were being considered and it was intended that on-line discussions would be set up where customers would have dedicated time to talk to managers, making them more accessible moving forward. It was also recognised that the Association's new tenancy sign-up process required to be improved and

was intended that digital video information be made accessible to customers moving forward.

A discussion followed on the Association's current systems for obtaining customer satisfaction information and the timing of this information gathering. Mr Hillard advised that the way in which customer satisfaction information was collated produced very different results. Mrs Anderson highlighted that the dip in the complaints handling also had to be put in context, as the decrease related to 9 responses. The Board highlighted that despite housing providers collecting customer satisfaction in different ways and these methods producing different results, the Association still required to be mindful of the fact there would be a perception of the Association based on comparing these figures with other Scottish housing providers which required to be addressed. It was also suggested that communication required to be strengthened.

Mrs Anderson stated that the recent evictions and abandonments statistics reflected the increased number of customers with complex needs. The Tenancy Sustainment Team continued to work closely with customers to support them.

Mrs Anderson advised that the increase in tenancy turnover had been due the new lets at Tarryholme creating additional voids as tenants transferred to new their new tenancy. Other voids were also being refused as customers were holding off for a new property. The Board suggested that it would useful to understand the reasons for void refusals and whether this impacted on customer satisfaction levels.

The Board advised they were content with the new reporting format and thereafter noted the reports on performance for Period 5.

10. **MD Report**

Scottish Housing Regulator – Notifiable Event

Mr P. Hillard highlighted that a new Notifiable Events procedure had been created in consultation with the Chair and Chair of the Audit & Risk Committee. The Board noted the arrangements for reporting Notifiable Events to them depending on the seriousness of the situation.

Treasury Update

Mr Hillard advised that lawyers were still working to finalise the loan terms and anticipated that the additional funding would be secured by the end of September as planned. The Board noted that the signing of any loan terms were still covered by the authority delegated to the Managing Director and a member of the Board at the April 2019 Special Board Meeting.

Succession Planning for the Chair

Mr Hillard advised on plans to set up a Working Group to consider the succession planning process for the role of Chair. It was intended that the Chair would contact the Board to establish interest on participating on the Working Group, however, if anyone was interested in the role of Chair, it would be inappropriate for them to participate on the Working Group. The Board then considered the appropriateness of the Chair participating in the Working Group and it was agreed that advice be sought from Group's Governance Team regarding any process to be set up, given they had just gone through the process of recruiting a new Chair. It was also agreed that Group Nominee, Ms C. McGuinness should participate on any Working Group set up.

Holmelea, Kilmarnock

The Board enquired if the additional funding had been received for the properties. Mr Hillard confirmed that it had, which had resulted in a significant positive NPV for the development.

G8 Governance, Succession Planning and Diversity Report

Mr Hillard advised that the Report was available to download from the Association's website. There had been a positive response to the launch of the Report at the Scottish Federation of Housing Association's Governance Conference. Officers hoped to take forward some of the good practice examples in the Report.

The Board thereafter noted the content of the Managing Director's Report.

11. Scrutiny Report

Mrs A. Fox-Smith stated that the report presented was the first report prepared by the new Customer Involvement Panel. It had been conducted as part of a focus group with assistance provided by the Customer Involvement Officer using the new process.

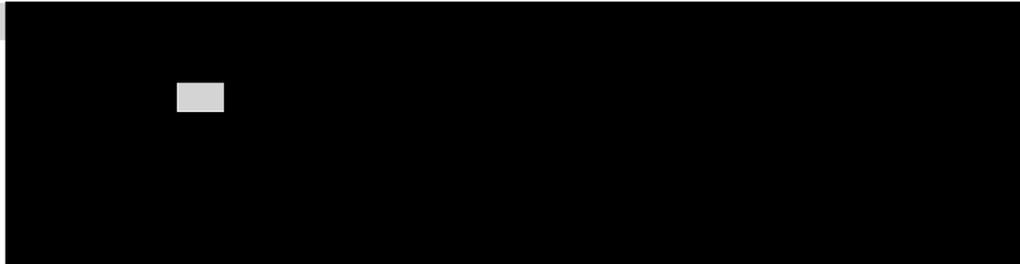
The Board stated that the report was a good model to use for future reporting. Mr P. Hillard advised that the report would be published on the Association's website.

The Board noted the content of the report, the action plan and the management response within the report.

12. Progress Report on Development

Mr P. Hillard advised of the intention that a report on proposed developments would be presented at all future Board Meetings.

Mr Hillard, referring to the Tarryholme Phase 2 project, advised that the negative NPV was due to the Association planning to build less properties than originally planned and the strategic decision to develop the land in this way.



The Board noted the update on current proposed developments.

13. **Pensions**

Mr P. Hillard advised that although the consultation period had not yet closed, positive responses had been received from the union and from staff to date. A consultation event had been held earlier in the week for staff who were generally supportive of the change which would mean a lower administration cost and therefore more of a contribution to the pension. Mr Hillard confirmed that there would also be no reduction to benefits offered as part of the scheme e.g. death in service.

Mr Hillard advised that if the Deed of Participation was signed as proposed on 1 October 2019, staff would join the new Scheme from November. In response to a query from Board, Mr Hillard confirmed that it was unlikely there would be any further changes to the pension scheme moving forward.

The Board thereafter:

- a) noted the current progress on consultation.
- b) Delegated authority to enter the Deed of Participation in The Legal and General Worksave Mastertrust pension scheme with Legal and General Resources Limited, on behalf of the Association to the Managing Director and to Cris McGuinness, Board Member.

14. **Minutes Updates**

The Board noted the contents of:

- The Unconfirmed Minutes of the Neighbourhood Services Committee held on 27 June 2019.
- The Unconfirmed Minutes of the Scotland Committee held on 9 August 2019.
- Group Board Headlines - July 2019.

15. **Any Other Business**

a) **CIH Excellence Awards**

Mr P. Hillard advised that the Association's Asset Officer, Mr F. Pirrie, had been shortlisted for the Young Achiever Award.

Mrs H. Anderson, Mrs D. Boyle and Mrs A. Fox-Smith left the Meeting.

16. **Board Member Code of Conduct Issue**

The Board considered the Report provided by Sarah Paton as the investigating officer into a breach of the Board Members Code of Conduct. The Board instructed the Managing Director to carry out the recommended activities.

Board noted that the matter had been a notifiable event to the Scottish Housing Regulator.

17. **Date of Next Meeting**

Board Meeting - 5.30 p.m. on Thursday 21 November 2019, 44-46 Bank Street, Irvine.

P. Hillard
 Secretary
 24 September 2019
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