

Readers may note that some information within these documents have been omitted / redacted.

Some information has been omitted / redacted as disclosure may prejudice the commercial interests of Irvine Housing Association.

We recognise that the commercial sensitivity of information may decline over time and the harm arising from disclosure may be outweighed by the public interest in openness and transparency. We commit to review the redaction of any such information from time to time.

Some information has been redacted as it contains personal data which identifies an individual. Disclosure of this information would place Irvine Housing Association in breach of the Data Protection Act 2018.

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 2 JULY 2020

COVID-19 PANDEMIC

The Board received a report in relation to the evolving recovery plan which was being developed in line with the government's easing of lock-down guidance, the current gas safety compliance position and plans for achieving full compliance, the current position in relation to staff welfare and discussions around the re-commencement of office working / home working arrangements.

CORPORATE PLAN 2020/23

The Board approved the Corporate Plan 2020/23 and noted that outstanding outcome targets and the Year 1 Implementation Plan would be presented for consideration at the August Board Meeting.

FINANCIAL STATEMENTS

The Board approved the Financial Statements for Irvine Housing Association for the year to March 2020 and the submission of the covenant position to funders, noted the content of the Auditors Report to the Audit & Risk Committee and then approved the Management Representation Letter.

The Board also approved the Financial Statements for Thistle Housing Services Ltd for the year to March 2020.

FINANCIAL REGULATIONS

The Board approved the revised Financial Regulations and the Scheme of delegation – Financial Authorisation Limits.

WOMEN'S AID LEASING SCHEME

The Board approved the extension of the North Ayrshire Women's Aid leasing scheme beyond ten properties to reflect increasing demand.

CAPTIAL WORKS PROGRAMME 2020/21

The Board discussed and noted the proposed capital works programme for 2020/21, the key areas of potential slippage and the plans to re-profile and maximise spend to ensure the completion of works by March 2021.

OPERATIONAL PERFORMANCE REPORT

The Board noted the operational report. They discussed in particular, arrears levels, the sharp increase in Universal Credit claims and the planned targeted approach to income collection by the Income Collection and Housing teams, the methods of communication which had been available during lock-down such as live web-chats, social media and welfare calls / texts and also gas safety compliance and the proposed reintroduction of enforcement measures in order to gain access to homes. It was also noted that customer satisfaction surveys would recommence shortly and an appropriate performance report would be presented at the August Board Meeting.

FINANCIAL PERFORMANCE REPORT

The Board noted the financial performance report, in particular that a reforecast was currently being carried out and would be incorporated in the next financial performance report being presented to the August Board Meeting. The Board also noted that work would be carried out on the long term financial plan during the summer in order to factor in the implications of Covid-19.

MD'S REPORT

The Board noted the MD's Report which contained updates in relation to:

- Board Succession Planning
- Salary Review
- Data Incident

MD APPRAISAL

The Board agreed it was content with the MD's proposed objectives for the year and thereafter noted the contents of the MD's Appraisal and Objectives Report.

MD REMUNERATION

The Board discussed and approved the remuneration package set out in the MD Remuneration Report.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Thirty Seventh Meeting of the Board held at 5.30 p.m. on
2 July 2020 by Blue Jeans video-conference.

Minutes

Present:

Mr D. McEachran (In the Chair), Mr C. Bell, Mrs M. Burgess,
Mrs M. Crearie (From Item 4), Mr C. Donohue, Mr G.
Darroch, Mrs J. Galbraith, Mr R. Hill and Ms C. McGuinness.

In attendance were Mr P. Hillard (Items 1-14), Mrs H.
Anderson (Items 1-14), Mrs D. Boyle and Mrs M. Hutchinson
(Items 1-14).

Apologies for Absence

Mrs J. Murray and Mr D. Thornton.

Declarations of Interests

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

1. **Preliminaries**

The Chair granted special leave of absence to Mr D. Thornton.

2. **Minutes of Previous Meeting – 236th Board Meeting held on 27 May
and the Special Board Meeting held on 9 June 2020**

The minutes of the 236th Board Meeting held on 27 May and the Special
Board Meeting held on 9 June 2020 were noted and approved.

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

236th Board Meeting

Thistle Housing Services – Min. 8

Mr P. Hillard confirmed that the amended Articles of Association had been registered with Companies House.

Mr Hillard advised that given the Chair had not had the opportunity to have discussions with all Board Members regarding potential directorships, it was now intended that proposals for directorship appointments would be considered at the Special Board Meeting following the Annual General Meeting, where Office Bearer and Committee Membership proposals were usually considered. This was agreed.

Special Board Meeting

Proposed Rule Changes – Min.1

Mr Hillard clarified that whilst it was possible for more than one member to nominate a particular individual to transfer their share to, Rule 9 prohibited an individual from having more than one share.

Mr Hillard reported that Group Board had approved the proposed Rule Changes which meant that the next stage was for the membership to consider the proposed changes at a Special General Meeting. The Association's Rules currently only allowed for the physical attendance at General Meetings, however, it was currently not possible to arrange such a meeting due to the Corona Virus legislation. That being said, in the last week, the Corporate Governance and Insolvency Act 2020 was passed which allowed General Meetings to take place virtually, however, members could only vote on matters presented and this did not allow for any debate to take place. Due to these restrictions and having discussed the matter with the Chair, it was now suggested that the proposed Rule Changes be presented for consideration at the Annual General which was currently scheduled for September. It still remained to be seen, however, whether physically meeting would be an option at this time. If it was not, and this meeting required to be held virtually, it was proposed that an informal virtual meeting of members would be arranged which would allow for any discussion and debate about the proposed changes prior to the Annual General Meeting taking place and them being required to vote on the proposed Rule Changes. The Board concurred with the proposal.

4. **Covid-19 Update**

Mr P. Hillard reported that the Association's recovery plan was in place and was aligned with the Scottish Government's phasing of the easing of lock-down. It was noted that the plan would require to be flexible in order to operate within Scottish Government's guidance as this changed. Updates were being made to the website, social media and the recorded telephone message to ensure the Association was providing the most up-to-date information.

Mr Hillard advised that at the peak, the Association had 52 lapsed gas safety certificates due to contractors not being able to gain access to customers' properties for a variety of reasons, however, he was pleased to report that the figure had reduced to 28. During phase 3 of the easing of lock-down the Association may consider re-instating the use of forced access in order to have the essential works carried out, with the exception of those customers who were shielding, in order to get back to a 100% compliance position.

The Board enquired on the results of the colleague welfare survey. Mr Hillard advised that the Irvine specific results were not available at present, however, the overall Group survey results identified a slightly declining position with regards to well-being. This seemed to be reflective of the current stage of lock-down rather than the organisation's approach. The Board noted that despite the declining position, the results remained ahead of the current benchmark.

Mrs M. Crearie joined the Meeting.

Further to a query from Board, Mr Hillard advised that a further survey was planned and also individual discussions with staff to identify longer-term working arrangements moving forward. It was intended that some staff would work in more agile ways and be more home based in the future and the identification of equipment needs, appropriate risk assessments etc. would be discussed as part of this process.

The Board thereafter noted the content of the report.

5. **Corporate Plan 2020/23**

Mr Hillard reported that due to the fluid working environment, it was still viewed as premature to define certain targets in the outcomes sections until there was a more accurate picture of where performance would level out. It was therefore intended that the outstanding targets would be presented for consideration together with the Year 1 Implementation Plan at the August Board Meeting. Mr Hillard further stated that the draft document had been well received by the Association's stakeholders during consultation discussions.

The Board concurred that the document accurately reflected their discussions and approved the adoption of the Corporate Plan 2020/23, subject to the all targets in the outcomes sections being agreed at the August Board Meeting.

6. **Financial Statements**

Mrs M. Hutchinson advised that the Audit & Risk Committee had considered the draft Financial Statements in detail at its Meeting on 15 June 2020. She advised that, subject to approval, the Statements would be signed on a date to be agreed between Group and the auditors, KMPG, and signatories would be contacted accordingly.

Mrs Hutchinson highlighted that the external audit of the Association's Financial Statements gave reasonable assurance, but not absolute assurance to the Board.

Mrs Hutchinson stated that a few minor typographical errors had been identified in the draft, which would be updated, which would not result in any fundamental change.

Mrs Hutchinson highlighted that the Association had made an operating surplus of £5m during the year [REDACTED], demonstrating a strong financial performance during the year. She stated that an overall surplus for the year of £3.4m contributed to the total reserves of £16m position.

[REDACTED]

Further to a query from Mrs Hutchinson, the Board confirmed that it had understood and was content with the Statement of Board Responsibilities in respect of the Board Report and Financial Statements and the Statement of the Board in respect of Internal Controls.

Mrs Hutchinson, referring to the Board report, highlighted that the Association remained comfortably within its covenants and had ample headroom.

Following a query from the Board, the Chair of the Audit & Risk Committee confirmed that the Committee were content with the Financial Statements presented and had not, on this occasion, met with the auditor without the presence of officers.

Mrs Hutchinson and the Board highlighted and agreed some minor errors requiring amendment. Mrs Hutchinson undertook to check that all dates had been updated as appropriate in Appendix 1 and 3.

The Board requested that its thanks were passed on to the team for their efforts to produce the Financial Statements presented within the timescales, given the current challenging operating environment. Mrs Hutchinson undertook to pass on the Board's comments.

The Board thereafter:

- a) approved the Financial Statements for Irvine Housing Association for the year to March 2020.
- b) Approved the submission of the covenant position to funders.
- c) Approved the Financial Statements for Thistle Housing Services Ltd for the year to March 2020.
- d) noted the content of the Auditors Report to the Audit & Risk Committee.
- e) approved the Management Representation Letter.

7. **Financial Regulations**

Mrs M. Hutchinson advised that the minor changes proposed to the Financial Regulations were reflective of the changes which had been agreed to Group's Finance Policy earlier in the year. The Board noted it was proposed that the Association seek to adopt Group's Finance Policy in place of the Financial Regulations when the Policy was next reviewed later in the year.

Mrs Hutchinson advised that the Scheme of Delegation - Financial Authorisation Limits had been updated to reflect the recent staffing structure changes following on from the review of sheltered housing service provision.

The Board thereafter:

- a) approved the updated Financial Regulations.
- b) approved the revised Scheme of delegation – Financial Authorisation Limits.

8. **Women's Aid Leasing Scheme**

Mrs H. Anderson reported that further to Board's previous agreement to lease up to 10 properties to North Ayrshire Women's Aid, there had been a further request to provide more properties for lease, given there had been an increase in demand due to the current Covid-19 pandemic.

Mrs Anderson confirmed that Women's Aid paid the rental of the property and dealt with the day to day management of the tenancy. The leasing arrangement had worked well to date and the Association had developed a good working relationship with Women's Aid.

Further to a query from the Board, Mrs Anderson confirmed that it was intended that the additional leases would continue beyond the Covid-19 pandemic.

The Board thereafter approved the extension of the North Ayrshire Women's Aid leasing scheme beyond ten properties to reflect increasing demand.

9. **Capital Works Programme 2020/21**

Mrs H. Anderson reported that following the Board approving the capital works programme at the start of the year, the programme was suspended due to the Covid-19 pandemic. Officers had been liaising with contractors with a view to re-commencing the programme, subject to appropriate risk assessments and safe methods of working being agreed. The Board noted that some works would prove more difficult to progress, such a new kitchen and door and window contracts. Contact was also being made with customers who had been due to have works carried out to establish their willingness to allow works to progress.

Mrs Anderson stated that contractors, had confirmed that, subject to safe methods of working being agreed and customers consenting to the works being carried out, that they could still complete the works instructed by year end. Mrs Anderson highlighted, however, that customers shielding or self-isolating due to being symptomatic, may mean that some works were not able to be carried out. Mrs Anderson advised that if this resulted in significant underspend or impacted on SHQS or EESSH compliance, she would report this to Board.

The Board enquired on availability of tradesmen and materials and also liability for safe working methods. Mrs Anderson advised that all contractors had confirmed that they had capacity to complete the works on time and that the contractor had responsibility to ensure that their staff were protected. It was, however, intended that officers would be spot checking works to ensure that contractors were complying with the agreed protocols for working in order to protect the Association's customers.

In response to a query from Board, Mrs Anderson advised that Group's procurement team had ensured that contracts contained a protection for the Association that any risk in relation to delay costs and additional time being required were met by the contractor and this had been signed up to by the contractor.

The Board enquired if a backup list of properties would be prepared in order for works to be carried out to avoid any slippage in the contracts due to refusals for having works carried out. Mrs Anderson stated that, if required, they would identify other properties for works to proceed,

however, it was unlikely this would not be required given that 70% of customers had agreed to works so far.

The Board enquired if there was awareness of any solvency issues for contractors. Mr Hillard confirmed that they were not aware of any issues as yet and contractors had been able to furlough their staff during the lock-down. Some contractors were now scaling up their operations in order to deal with the backlogs. [REDACTED]

After discussion, the Board noted the key areas of potential slippage and the plans to re-profile and maximise spend and completion of works by March 2021.

10. **Operational Performance**

Mrs H. Anderson advised that there were 2 dashboards presented in the new reporting format; the cash leakage and operational KPIs. The customer satisfaction KPIs were not reported, given that customers had not been surveyed since March from the commencement of lock-down.

Mrs Anderson reported that arrears levels were currently 3.87%. There had been a sharp increase in Universal Credit claims since lock-down. The Association now had 698 customers in receipt of UC, with 70 new claimants since the start of lock-down, when previously, there had been approximately 15/20 new claims per month. There had also been 155 new arrears cases since lock-down. When previously, there were 27 households who had not paid rent for 6 weeks or more, this had now increased to 52 households. The Board noted that there were currently 52 sisted / continued cases at court, where currently no action could be taken due to Covid-19 restrictions.

Mrs Anderson stated that as part of the recovery plan, income collection processes would target actions accordingly into 3 groups:

- customers claiming UC
- new arrears cases due to Covid-19
- cases where court action had been sisted / continued.

The Board noted that a live webchat had been arranged with the Housing Manager and Tenancy Sustainability Team Leader in order to provide financial advice and assistance to customers.

Mrs Anderson advised that 4 Housing Officers would work closely with the Income Collection Team to assist with discussions, particularly with the new arrears due to Covid-19 cases.

Mrs Anderson commented that it still felt early to finalise any arrears KPIs, however, it was becoming evident that customers were beginning to experience the impact of lock-down.

Mrs Anderson, referring to the gas safety compliance KPIs, stated that additional steps were now being taken to gain access to customers' properties to have these essential works carried out. Moving forward, the Association would also consider enforcing gas capping and also forced access in line with the timing of the easing of lock-down restrictions, in order to ensure that gas safety checks were carried out to all properties in line with legislation.

Mrs Anderson reported that it was intended that customer satisfaction surveying would commence in the next week and a performance report for this area would be available at the next Board Meeting.

Further to a query from Board, Mrs Anderson advised that a targeted approach to arrears recovery of the 52 sisted / continued cases would be implemented by staff, with regular contact being made via telephone calls, text messages and bespoke letters.

The Board enquired on the attendance at the arranged webinars and whether welfare calls were still being made. Mrs Anderson undertook to report on the attendance at the most recent webinar, however, other previously arranged webinars had approximately 7 customers in attendance and this was something the Association intended to build on and publicise widely moving forward. Mrs Anderson further advised that, given the current priorities and the transition back to normal service provision, the Association currently did not have the resources to continue with the welfare calls. Approximately 75% of customers had been contacted in this way and it was intended that every customer would receive a text message from the Association to ensure that contact had been made with every customer during this process. The Board noted that those tenants who had requested that they receive regular telephone checks would continue to be contacted in this way.

The Board thereafter noted the Operational Performance Report for Period 2.

11. **Financial Performance Report**

Mrs M. Hutchinson reported on the favourable variances due to works not being carried out due to the Covid-19 pandemic. Officers were currently working on the re-forecast which was due to be finalised mid-July and would be presented in the August performance report. It was

currently envisaged that the vast majority of spend could be delivered on budget.

Mrs Hutchinson highlighted that work would be carried out on the long term financial plan during the summer in order to factor in the implications of Covid-19.

Mrs Hutchinson highlighted the risk of requiring to drawn down on loans due to lower cash levels, and confirmed that the Association's cash position was being monitored very closely.

The Board enquired on the high variance on interest. Ms C. McGuinness advised that this was due to the Association being behind on its schedule of draw-downs, given that no works had been carried out for the previous 3 month period. Also, interest was always estimated on the upside in order to protect against the unknown.

The Board thereafter noted the Financial Performance Report for Period 2.

12. **Managing Director's Report**

a) **Data Incident** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

13. **Minutes / Updates**

The Board noted the contents of the:

a) Unconfirmed Audit & Risk Committee Meeting Minutes – 15 June 2020.

b) Unconfirmed Group Neighbourhood Services Committee Meeting Minutes – 23 April 2020.

14. **Any Other Business**

There was no other business to be discussed.

Mr P. Hillard, Mrs H. Anderson and Mrs M. Hutchinson left the Meeting.

15. **MD Appraisal**

The Chair reported on the appraisal discussion which had taken place between the Managing Director, Group's Executive Director – Customer Service and himself and highlighted that the performance against customer service targets was not unique to the Association.

The Board suggested that some thought was given to future succession planning with support from Group colleagues.

The Board agreed it was content with the MD's proposed objectives for the year and thereafter noted the contents of the MD's Appraisal and Objectives Report.

16. **MD Remuneration**

The Chair advised on the process which had been carried out by Group in order to benchmark the Managing Director's salary [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] He also advised of the intention to harmonise all Association staff's terms and conditions with that of Group's, [REDACTED] [REDACTED] once Group had completed its terms and conditions review.

After discussion, the Board approved the remuneration package set out in the MD Remuneration Report.

17. **Date of Next Meeting**

Board Meeting - 5.30 p.m. on Thursday 27 August 2020, by video-conference.

P. Hillard
Secretary
3 July 2020
PH/db

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