

**THE RIVERSIDE GROUP LIMITED**

**IRVINE HOUSING ASSOCIATION**

Two Hundred and Eleventh Meeting of the Board held at 5.30p.m. on  
Tuesday 17 May 2016 at 44-46 Bank Street, Irvine

**Minutes**

Present: Mr A. West (In the Chair), Mr N. Alexander, Mr C. Bell, Mr G. Darroch, Miss F. Dunlop, Mrs F. Garven, Mrs W. Johnstone, Mr D. McEachran, Miss J. Meek, Mrs J. Murray, Mrs A. Robertson, Mr B. Sturgeon and Mr J. Wood

In attendance were Mrs N. Thom, Mrs D. Boyle, Mrs A. Fox-Smith, Mrs M. Hutchinson and Mr D. Thompson.

Apologies for Absence

None

Declarations of Interests

Miss J. Meek declared an interest in the papers relating to her Membership Application and her potential Board Membership.

1. **Preliminaries**

The Chairman welcomed Miss J. Meek to the meeting.

2. **Member and Board Application**

Miss J. Meek left the room for the discussion of this item.

Mrs D. Boyle advised that Miss Meek's membership application satisfied the criteria as set out in the Membership Policy. Officers, were content, having met with Miss Meek that she was supportive of the aims and objectives of the Association.

Mrs Boyle stated that Miss Meek's application to join the Board was as a result of the recent recruitment exercise carried out. The Board

noted that Miss Meek's application had been discussed in detail at the recent Governance and Staffing Committee, including the potential for conflicts of interest and how these would be managed.

After consideration, the Board:

- a) approved the Membership Application from Miss Meek.
- b) authorised the Interim Managing Director / Secretary to issue a share certificate and a copy of the Rules of the Association to Miss Meek and enter her details on the Membership Register.
- c) approved the Governance and Staffing Committee's recommendation to appoint Miss Meek to the Board, filling a casual vacancy, created following Miss K. Osborne's resignation, until the Annual General Meeting in August 2016, in line with Rule 41.

3. **Minutes of the Last Meeting held on 29 March 2016**

Miss J. Meek re-joined the Meeting.

The minutes of the meeting held on 29 March 2016 were approved and signed.

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

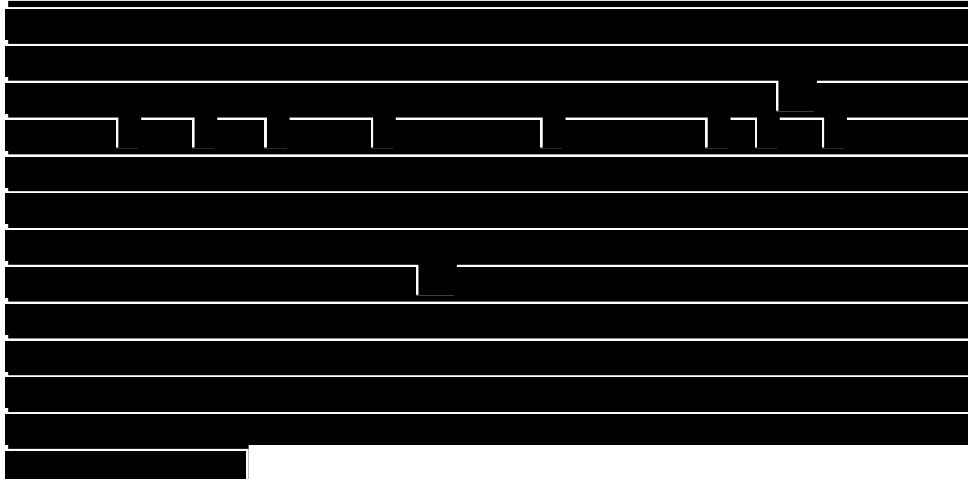
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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



b) Committee Minutes & Policies (Min.5.b))

Mrs Thom stated that owners who were defending recovery action against them in relation to factoring charges had called in court on 13 May where it had been decided that the matter would be heard at a full proof hearing on 16 August. A sheriff decision would be made at this point.

The Board noted the decision of the Homeowners Housing Panel that the Association had legal right to charge for factoring services. The full report was tabled as part of the Managing Director's report. Mrs Thom stated that once the appeals period had ended, the Association would pursue the owner in question now that the Panel's decision had been made.

5. **Committee Minutes & Policies**

Mr J. Wood referring to the Group Housing Services Committee minutes stated that Group was now adopting the practice of the Association is carrying out any day tenancies. This new practice was already delivering savings for Group.

Mrs Thom gave a full report on the detailed debate which had taken place at the recent Governance and Staffing Meeting in relation to the Election of Chairman process.

The Board thereafter:

a) noted the draft minutes of the:

- a. Group Housing Services Committee Meeting held on 14 April 2016.

- b. Operations Committee Meeting held on 19 April 2016.
  - c. Governance and Staffing Committee Meeting held on 3 May 2016.
- b) Agreed the recommended Election of Chairman process recommended by the Governance and Staffing Committee as follows:
- a. Following the preparation of a role profile, person specification etc. Board Members were invited to apply for the role of Chairperson and would be required to submit associated paperwork.
  - b. This paperwork would then be assessed by a Panel, which authority would be delegated to by Board to do.
  - c. The Panel would consist of Members from the Governance and Staffing Committee, one of which should be a Tenant Board Member and Mrs S. Jee, Riverside Board Member.
  - d. Should applications for the role of Chairperson be received from members of the Governance and Staffing Committee, an alternative Board Member would be approached to join the Panel.
  - e. As part of the assessment process, this Panel would also hold informal discussions with the applicants to discuss their application.
  - f. The Panel would thereafter submit a report on its assessment of the applications to Board for consideration prior to the Special Meeting following the AGM.
  - g. Board Members would then cast their vote, at the Special Meeting following the AGM, on who they wanted as Chairman.
- c) Instructed the Chairman to approach Mrs Jee to invite her to participate on the assessment panel.

## 6. **Accounting Policy Amendments**

Mrs M. Hutchinson advised that the introduction of Financial Reporting Standard FRRS102 meant that accounting policy changes were required by 2015/16. The Association therefore proposed changes to its accounting policy in line with Group's approach.

The Board noted the key changes to the policy as follows:

- Judgements and key sources of estimation uncertainty has been added for the first time. This was explained to Board in detail.
- Grants which were previously netted against the value of the asset, are now held in creditors and released to income over the life of the asset.
- Designated reserves are not considered to be an internal matter and will no longer be disclosed in the primary statements.

Mrs Hutchinson stated that due to these changes, the Association's accounts would require to be restated. This was currently being reviewed by the external auditors, KPMG. The likely impact would mean that reserves increased by £1.1m to £4m. Mrs Hutchinson undertook to report on the final position following KPMG's review.

In response to a query from Board, Mrs Hutchinson confirmed that changes to the Financial Reporting Standards in the Statement of Recommended Practice were mandatory and had been driven by financial bodies with a view to company's being more transparent.

[REDACTED]

The Board thereafter:

- a) approved the accounting policy changes required under the requirements of Financial Reporting Standard FRS102.
- b) noted the required changes to the key financial statements.
- c) noted the required prior year statement.

## 7. **2016/17 30 Year Financial Plan Update**

Mrs M. Hutchinson stated that the Board had considered and approved the 30 year financial at its Meeting in January 2016. The Board were aware at this time that the financial plan could be subject to change following the introduction of a new business planning tool.

The financial plan had now been processed using the new business planning software which had resulted in significant changes to the financial plan [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board approved the revised 30 year financial plan.

8. **Annual Return on the Charter**

Mrs A. Fox-Smith highlighted key statistical information from the Return and answered a number of queries from Board in relation to statistical information reported on satisfaction levels, adaptations, diversity, repairs service and how these figures may be improved in future years.

The Board enquired if the detail of this paper should be considered by the Operations Committee moving forward. It was agreed this matter would be considered as part of discussions at the Board Strategy Day on 4 June 2016.

The Board thereafter:

- a) noted the content of the Annual Return on the Charter.
- b) Noted the Global Validation Report.
- c) Approved the Return for submission to the Scottish Housing Regulator
- d) Authorised the Interim Managing Director to approve and submit the Return on behalf of Irvine Housing Association.

9. **The Energy Efficiency Standard for Social Housing (ESSH) Return**

Mrs A. Fox-Smith advised that this was the first Return to the Scottish Housing Regulator. The requirement for this Return linked to the Scottish Government's commitments on climate change to reduce emissions. Landlords were now expected to take reasonable steps to ensure that its properties were more energy efficient.

Mrs Fox-Smith stated that currently 838 of its properties did not meet the Energy Efficiency Standard. It was hoped that once the planned capital investment had been carried out then these properties would meet this Standard. A further piece of work would however be carried out to assess whether these properties would meet the SAP rating and, if not, further works would be planned in order to meet the rating, providing it was cost effective to do so. If it was not, then the Association would apply for exemptions, where appropriate to do so.

In response to a question from Board, Mrs Thom also stated that the planned capital investment required would be funded within the Association's budget parameters, however, the timing of the achievement of the Standard for all of its properties could also be impacted by the level of external funding available.

The Board thereafter:

- a) noted the content of the ESSH Return.
- b) Noted the Validation Summary.
- c) Approved the Return for submission to the Scottish Housing Regulator.
- d) Authorised the Interim Managing Director to approve and submit the Return on behalf of Irvine Housing Association.

10. **Performance Management**

The Board noted Mrs N. Thom's report on what measures had been applied in order to meet the year end targets.

Mrs M. Hutchinson reported on a successful year resulting in an estimated surplus of £1.8m. The Board noted the effect of the amortised grants in the income and expenditure statement.

Mrs M. Hutchinson stated that the reasons for the repairs and maintenance budget being over budget had been due to a contractor issue which had now been resolved and also additional render works being required given the health and safety implications.

The Board commended all staff for its efforts in meeting all its targets by year end and noted the hard work and resources involved in this achievement.

Mrs Thom stated that consideration was being given to presenting the results contained within the Dashboard reports to the Scrutiny Panel and the Operations Committee moving forward.

The Board thereafter:

- a) noted the Association's performance against the Group's Top Ten KPI's and Local Targets;
- b) noted the year end performance outputs for year end 15 /16;
- c) noted the Association's performance against the current Monthly Performance Review Report and the Analyse by Division report;
- d) reviewed the Association's compliance with the funder's financial covenants.
- e) Noted the Group's and the Association's Cash Collection Dashboards.

11. **Annual Eviction Report 2015-16**

Mrs A. Fox-Smith stated that the report was evidence of a firm but fair consistent approach to dealing with high arrears. There had been no increase in evictions from the previous year. The improved approach to arrears management was also paying off as the number of tenants in arrears was reducing.

In response to a query from Board, Mrs Fox-Smith advised that the Operations Committee monitored actions on arrears cases over £1000.

Mrs Thom stated that once a Decree had been granted, an eviction was not always pursued depending on family circumstances. Officers would always seek to work with the tenant to avoid eviction if possible.

Following review of the report, the Board confirmed it was satisfied that eviction cases were being managed effectively by staff.



12. **Information Items**

The Board noted the following items:

a) **Annual Write-Offs**

Mrs M. Hutchinson stated that the 395 write-offs had increased significantly when compare to the 36 last year. This was however, due to a Group-wide decision to write-off all debt more than a year old where no contact had been made with the former tenant.

Following an enquiry from Board, Mrs Hutchinson elaborated on some initiatives used by Group which led to some debt recovery.

The Board noted the write-offs processed during the year.

b) **Contractor Spend Annual Report 2015/16**

Mr D. Thompson stated that the report consisted of 16 contractors carrying out works to a value of £500k. Some of these works were one off specialist works which required to be instructed outwith the Mitie and DG First contracts. A significant part of these works had been render works required due to health and safety implications.

Mr Thompson advised that the Association's planned to commence 5 year capital works contracts from 2017/18 which would result in a smaller number of contractors and contracts and less management being required. It was intended that the Operations Committee would consider the detail of these contracts.

Following a query from Board, Mr Thompson advised that that contractors occasionally submitted very costly tender prices with the intention of not being awarded the contract because they didn't want it.

The Board thereafter, noted the supplier spend across the Capital Programme.

c) **Managing Director's Report**

Mrs N. Thom referred to the tabled Homeowners Panel report which confirmed the Association's right to charge for factoring services.

The Board noted the current stage of the Target Operating Model process.

Mrs Thom advised that the Board Strategy Day would consist of sessions on governance, financial planning and risk analysis, board appraisal and board / committee authorities.

d) PR & Networking

The Board noted the PR & Networking Report.

13. **Any Other Business**

a) Board Membership

[REDACTED]

The Board thereafter agreed to appoint Mrs M. Burgess as a co-optee to the Board in accordance with Rule 38a until the next Annual General Meeting, subject to:

- a. It being confirmed that she was not prevented from joining the Board by any restrictions in the ministerial code.
- b. Checking with Grayling any potential risk exposure of her appointment.

14. **Date of Next Meeting**

Board Meeting – 5.30 p.m. on Tuesday 28 June 2016, 44-46 Bank Street, Irvine.

N. Thom  
Interim Secretary  
18 May 2016  
NT/db

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