

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Nineteenth Meeting of the Board held at 5.30p.m. on
Tuesday 19 September 2017 at 44-46 Bank Street, Irvine

Minutes

Present: Mr D. McEachran (In the Chair), Mr C. Bell, Mr G. Darroch,
Mrs J. Galbraith, Mr R. Hill (From Item 2), Miss J. Meek,
Mrs J. Murray, Mr D. Thornton and Mr J. Wood.

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

Apologies for Absence

Mrs F. Garven and Mrs M. Burgess.

Declarations of Interests

There were no declarations of interest.

1. **Membership Application and Board Membership**

The Board considered and approved Mr R. Hill's Membership
Application and thereafter:

- a) Authorised the Managing Director / Secretary to enter his details in
the Membership Register and issue him with a Share Certificate
and a copy of the Rules of the Association.
- b) Approved Mr Hill's appointment to the Board, filling a casual
vacancy until the Annual General Meeting in August 2018, in line
with Rule 41 of the Association's Rules.

2. **Minutes of the Previous Meetings held on 20 June and 15 August
2017**

Mr R. Hill joined the Meeting.

The minutes of the Board Meeting held on 20 June 2017 and the Special Board Meeting held on 15 August 2017 were approved and signed, subject to paragraph 3 of page 5 and part of the first sentence in the top paragraph of page 6 of the 20 June 2017 minutes being redacted.

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

Board Meeting – 20 June 2017

a) Tarryholme Phase 1 – New Build Development Project (Min. 2.c)

Mr P. Hillard updated the Board on discussions with North Ayrshire Council in relation to plans for the 2nd phase of the site. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The option of developing low cost home ownership properties was also discussed, however, it was anticipated that this would not be attractive in the current market.

[REDACTED]

b) Financial Statements for 2016/17 (Min. 3)

Mr Hillard undertook to present proposals to the next Meeting with regard to the appointment of Directors of Thistle Housing Services.

c) Corporate Risk Map (Min. 4)

In response to a query from Board, Mr Hillard advised that further regulation with regard to Health & Safety compliance was expected to be put in place following the outcome of the Grenfell investigation. In the meantime, in-depth fire risk assessments had

been carried out across Group in order to give appropriate assurance.

Mr J. Wood confirmed on behalf of Group that:

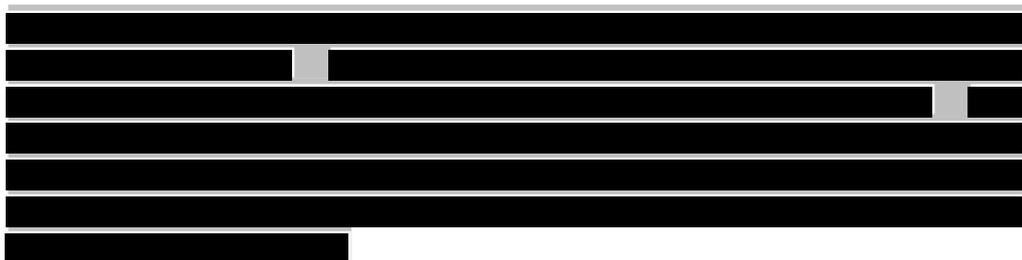
- a) A robust health and safety compliance regime was currently in place.
- b) There was appropriate directors and officers' liability insurance in place which was available, provided there had been no negligence at play.
- c) A review of the health and safety training matrix was being carried out to ensure that all staff received the training that they required in order to carry out their role. This would require to be revisited following the results of the enquiry being revealed.

3. **Corporate Risk Map**

Mr P. Hillard advised that the Corporate Risk Map would be considered for appropriateness at every Audit & Risk Committee Meeting and would also be presented twice-yearly to Board. The strategic risks contained in the map linked directly to the Corporate Plan objectives.

The Board suggested that the impact of welfare reform and the roll-out of universal credit be added to the risk map. Mr Hillard advised that this issue had been included as part of the rent affordability risk. Following discussion, it was agreed that the significant impact of welfare reform warranted that it had its own heading within the Risk Map.

The Board enquired if the risk of not delivering the Financial Plan was more a consequence of not addressing the other risks rather than warranting top of the Risk Map. It was thereafter discussed and agreed that the risk map be updated to reflect that the risk to the Association was that it breached its loan covenants with its funders.



The Board enquired if a further column could be added to the Risk Map which quantified the risk following the impact of the risk mitigation action. This was agreed.

After full consideration, the Board approved the Corporate Risk Map for adoption, subject to:

- a) The impact of welfare reform and the roll-out of universal credit be added as a risk in the Risk Map.
- b) The risk regarding delivery of the Business Plan being re-worded to change the risk to the Association breaching its loan covenants.

4. **Removals from Membership**

After consideration, the Board approved the removal of:

- a) the proposed 33 members detailed in the paper who had failed to either attend or submit apologies for five consecutive Annual General Meetings, and
- b) one further member, detailed in the paper who had changed their main residence and had failed to advise the Association of their change of address within the required 3 month period.

A discussion then followed on the appropriateness of the active promotion of membership of the Association as opposed to other planned methods of engaging with the Association's communities, stakeholders and customers. The pros and cons on having a large membership were considered. Mr Hillard was instructed to consider this matter further.

5. **Committee Memberships and Chairs**

Mr D. McEachran advised that a restructuring of Committees was being planned next year. This exercise would be carried out as part of the review of the delegation of decision-making by Board and Committees. The Board requested that the gender balance in any future Committee Membership proposals be considered and that Board Members be consulted on any future proposals.

Mr McEachran stated that he had also suggested that some careful consideration was required to be given to some of the Association's key financial risks, such as impact of welfare reform, interest rates, BREXIT and public sector pay. This would possibly mean further meetings of the Audit & Risk Committee than what was currently being planned. It was therefore suggested that a further Board Member may be required to join the Committee. Mr D. Thornton confirmed that he would be willing to participate on the Committee.

The Board approved the proposed Committee Memberships presented, subject to Mr D. Thornton also joining the Audit and Risk Committee.

6. **Whole Board Appraisal 2017/18**

Mr P. Hillard advised that the timescales for the delivery of the actions contained in the proposed Whole Board Appraisal Action Plan were factored in to take the Association past the Business Planning cycle.

The Board thereafter approved the Whole Board Appraisal Action Plan for 2017/18.

7. **Governance Policy Review**

The Board suggested that the proposed changes in relation to Group's involvement in the disciplinary process also be agreed with Group. Mr Hillard stated that the changes were being proposed in order to give the Association sovereignty of addressing its own issues, however, he accepted that Group should be consulted on this change.

The Board enquired if policies could be reviewed outwith the 3 year cycle, should it be required. Mr Hillard confirmed that if any relevant legislation or guidance were issued, then a sense check would be carried out of all relevant documentation.

Following a query in relation to the wording of page 1 and page 3 of the comments section in relation to offers of housing and the sale of property / land, it was confirmed that the wording was different to reflect that the sale of property / land involved the exchange of money.

An apparent contradiction was highlighted in the Code in relation to the receipt of modest gifts and hospitality being received then later on in the section it stated the requirement to report the receipt of gifts for values of over £300. Mrs D. Boyle suggested that the reference to the over £300 was meant for the receiving of gifts from the Association in certain circumstances. It was thereafter suggested that this section be re-worded for clarification purposes.

The Board thereafter:

- a) approved the revised Code of Conduct for Board and Committee Members, subject to re-wording of the section in relation to the recording of the receipt of gifts and hospitality and checking that Group were content with the changes proposed to Appendix 2 Guidance on Dealing with Poor Performance and Misconduct.
- b) approved the revised Membership Policy.
- c) agreed to remove the Board Composition and Recruitment Policy from the Policy Schedule, subject to ensuring that the essence of

the Policy is captured within the Association's Governance Framework.

8. **Equality, Diversity & Inclusion Policy**

Mrs A. Fox-Smith advised on the programme for training in order to embed the principles of the Policy. The Board enquired if training would be carried out on an ongoing cycle. Mrs Fox-Smith confirmed that it would be.

In response to a further query, the Board were advised that training would include the Association's legislative requirements in relation to protected characteristics.

After consideration, the Board approved the Equality, Diversity & Inclusion Policy.

9. **Aids and Adaptations**

Mrs H. Anderson advised that following Board's request for the Association to consider options for addressing the current backlog in outstanding requests for disabled adaptations, Officials had considered 3 options which were detailed within the paper.

Mrs Anderson recommended that the most favourable option would be to allocate c. £160k in order to carry out the installation of disabled adaptations which would not be met by the Scottish Government funding allocation of £200k this year. Officials had also made an estimation of further requests which were likely to be made prior to the end of the financial year, based on the previous 3 years' information, which was also included in the proposed £160k allocation.

Mrs Anderson highlighted that the allocation of the £160k to fund the disabled adaptations in question, was taken from the cyclical works programme budget which meant that painting works which had been planned this year would be put back to next year, carpark upgrade works in the landscape budget would also be delayed and also the roll-out of the property MOT initiative to high traffic properties would also be delayed. The Board noted that this was if all of the £160k allocation was required.

A discussion followed where the Board raised concerns regarding the Association potentially moving away from a pro-active to a re-active approach to cyclical repairs and the impact that could have on the Association's housing stock and communities. Mrs Anderson stated that the proposed approach to address the outstanding adaptations was for this year only. It was thereafter intended that a new process, based on the priority need would be implemented, rather than the date

order requests which had been processed to date. Mr Hillard stated that it was possible that savings may be made elsewhere in the budget later in the year, which would mean that the works that were proposed for delay, could potentially still be carried out. The Board noted that the proposed budget allocation and the proposed delay to certain works were a worst-case scenario position.

Mrs Anderson advised of the intention to review the prioritisation process with the local authorities and customers in order to have a new process in place for the commencement of the new financial year. The Board noted that proposals would be brought back to Board for approval prior to the implementation of any new process.

The Board approved that £160k was allocated to address the current backlog of applications as at 19 September 2017 and also the anticipated applications received up until the financial year end. They also instructed Officials to develop a new prioritisation and delivery process for Board approval, following relevant consultation with appropriate stakeholders. It was intended that implementation of the new approved process would be in place for the commencement of the next financial year.

10. **Performance Report**

Mr P. Hillard, referring to the key variations in the financial performance, stated that the budget assumed for restructure costs was not as significant as previously assumed. The variation in the capital spend was due to the timing of works programmes.

Referring to the Customer Satisfaction dashboard, Mr Hillard advised that the indicators in relation to Complaints re-opened and Complaints breached were currently red, due to the current implementation of new ways of working. Training requirements had been identified for some staff as they moved into new roles and this had currently been programmed in.

Mr Hillard highlighted that the Cash Collection targets set were demanding this year. Again, some the indicators currently in red were partly due to staff changes and the Housing Services Manager post having been vacant. One member of staff had taken on additional duties and Housing Officer staff were also currently working additional hours in order to seek to bring the figures back within target. The Board noted that the figures presented, although not meeting this year's targets, were still an improvement on the previous year's figures.

The Board thereafter noted the contents of the Performance Report.

11. **The Managing Director's Report**

Mr P. Hillard stated that the Association's staffing structure was almost fully populated. An internal candidate was due to be offered the post of Housing Services Manager. This would, therefore, create another vacancy within the organisation. The decision on whether to recruit to the Regional Manager post would be taken following sight of the new working practices being implemented. It was currently anticipated that the last phase of the process for the Association would be completed by the end of November. The recruitment of the new posts in the new Income Collection function was currently in progress. Four members of staff currently remained at risk.

Mr Hillard advised of the intention to remain in the current offices for a further 10 years, with a 5 year break clause. The Board agreed that this seemed sensible in the current market and that the 5 year break clause gave a sufficient amount of flexibility to take advantage of depressed markets should this be appropriate. Mr Hillard advised that office requirements could also significantly change in a 5 year period. Mr Hillard advised that a reshuffle of the office was imminent, given that it was intended that full implementation of the restructure would be in place by the end of November. A full office refurbishment was also planned next year.

The Board noted the planned programme in relation to the rent restructure.

Mr Hillard advised that the Internal Managing Plan had been developed in order to deliver the objectives set within the Corporate Plan. This document had also been linked to staff's appraisal objectives. Officials were now working on the reporting format for updating Board on progress at the November Board Meeting.

It was confirmed that as part of the development of the Customer Involvement Strategy, an Information Event was due to take place on 29 September 2017.

The Board noted that as part of the development of the Communications and Marketing Strategy, a perceptions audit would be carried out with key stakeholders regarding the Association, The Riverside Group and their working relationship.

The Board noted the updates given in the Managing Director's Report.

12. **Committee Minutes**

The Committee noted minutes of the:

- a) Audit & Risk Committee Meeting – 15 June 2017

b) Group Neighbourhood Services Committee Meeting – 29 June 2017

c) Operations Committee Meeting – 29 August 2017

13. **Any Other Business**

None.

14. **Date of Next Meeting**

Board Meeting – 5.30 p.m. Tuesday 21 November 2017, 44-46 Bank Street, Irvine.

P. Hillard
Secretary
20 September 2017
PH/db

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