

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 21 NOVEMBER 2017

TARRYHOLME DEVELOPMENT

The Board noted that over 80 objections had been raised in response to the Association's planning application for the first phase of the Tarryholme development. The planning application was due to be considered in January 2018 and IHA representatives had been invited to this meeting to answer any specific queries.

AIDS AND ADAPTATIONS

The Board noted that work was progressing in order to clear the backlog of disabled adaptations, following the Board agreeing a budget to fund these additional works. Liaison with the local authorities was also progressing with a view to creating and implementing a new Disabled Adaptations Referral Policy.

CORPORATE PLAN

The Board noted the progress against the Internal Management Plan which had been developed in order to deliver the objectives in Year 1 of the Corporate Plan.

BUSINESS PLANNING 2018/19

The Board considered some key assumptions which were currently being factored into the business planning process. These assumptions would be considered in more detail at the Board Meeting in December, prior to business plan approval in February 2018. The Board also instructed Officials to consult with its tenants on proposed rent increases of 3.5% and 4%.

RENT RESTRUCTURING

The Board considered options for rent restructuring proposals and instructed Officials to consult with the Association's customers on the agreed rent restructure option.

BOARD LEARNING AND DEVELOPMENT PLAN

The Board agreed the Board Learning and Development Plan for 2018.

PERFORMANCE REPORT

The Board noted that the implementation of the housing services part of the Target Operating Model which involved moving service provision to new teams, staff receiving intensive training on the new ways of working was impacting on KPIs. Staff were continually reviewing processes and developing relationships in order to ensure the transition was progressed as smoothly as possible. Officials expected to see improvement by year end following this transitional period.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Twentieth Meeting of the Board held at 5.30p.m. on
Tuesday 21 November 2017 at 44-46 Bank Street, Irvine

Minutes

Present: Mr D. McEachran (In the Chair), Mr C. Bell, Mrs M. Burgess, Mrs F. Garven, Mrs J. Galbraith, Mr R. Hill, Mrs J. Murray, Mr D. Thornton and Mr J. Wood (via VC).

In attendance were Mr P. Hillard, Mrs H. Anderson, Mrs D. Boyle, Mrs A. Fox-Smith and
Mr P. Cleminson (via VC).

Apologies for Absence

Mr G. Darroch and Miss J. Meek.

Declarations of Interests

There were no declarations of interest.

1. **Minutes of the Previous Meetings held on 19 September 2017**

The minutes of the Board Meeting held on 19 September 2017 were approved and signed.

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

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



Mr Hillard advised that there had been 80+ objections raised for the proposed 1st phase development which mostly related to concerns regarding roads. Three Association representatives had been invited to answer queries at a Planning Meeting in January 2018 and a representative who could answer specific queries with regard to the road plans would be one of those representatives. Careful consideration of the concerns raised would be discussed in order to decide on the best persons to attend the meeting in order to respond fully to the concerns raised.

Mrs J. Murray joined the meeting.

Mr Hillard advised that a positive PR campaign would also commence shortly in order to alleviate some of the concerns.

Mrs J. Galbraith joined the meeting.

b) Financial Statements for 2016/17 (Min. 2.b))

Mr Hillard stated that appointing Directors to Thistle's Board appeared to be more complex than originally thought and Officials were currently taking advice to ensure that the correct process was adhered to. He undertook to report back further at the February 2018 Board Meeting.

c) Aids and Adaptations (Min. 9)

Mrs H. Anderson advised that following Board approval of a budget to complete the backlog of 153 disabled adaptations and any further referrals up to year end, 93 customers had had their adaptations installed. A further 10 customers were currently having works carried out. Since the last Board Meeting, a further 23 additional referrals had been received which meant that there were currently 73 referrals outstanding. It was estimated that to date £30k of the agreed additional capital budget had been spent.

Mrs Anderson referring to progress on the new Disabled Adaptation Referral Policy, stated that discussions had taken place with the partner Occupational Therapists of North Ayrshire Council. Agreement had been reached as part of these discussions to work together to develop a new process to present to Board for consideration at its February 2018 Board Meeting.

3. Corporate Plan Update

Mrs A. Fox-Smith advised that following the Board's approval of the Corporate Plan in May, Officials had undertaken to report on a 6-monthly basis. The new reporting format presented was currently work

in progress and required to be updated further. It was agreed that the updated document would be emailed to the Board for information prior to the Christmas break.

Following a query from Board, Mrs Fox-Smith confirmed that the quarters ran from financial year rather than calendar year.

The Board enquired if there were any specific actions within the plan that Officials were concerned that targets would not be met. Mr Hillard advised that it was possible that some targets may be amended to extend into the next year, however, those actions would not be business critical actions. Board would be made aware in such instances as this would be highlighted within the report with appropriate comments to support any changes.

The Board questioned if the initiative in relation to Retirement Living was still appropriate given that it was known that North Ayrshire Council would not support such a development at Tarryholme. Mr Hillard advised that it was still appropriate for this initiative to remain as, not only did the Association still hope to develop some specialist elderly care housing, it also had to review its current service provision to elderly customers. It was acknowledged that new build development of this kind would never meet the increasing demand and changing customer needs.

After full consideration, the Board noted the contents of the Corporate Plan Delivery Plan.

4. **Business Planning 2018/19**

Mr P. Hillard stated that the Association's historic rent increases had been linked to RPI – usually with a +1% increase, however, Board had previously communicated a desire to move away from RPI+1% increases as soon as possible. The current Business Plan had currently assumed 3.5% rent increases for the life of the Plan. The RPI figure for October had been 4%. The proposal presented was to consult with tenants on a rent increase of 3.5% and 4% for 2018/19. Feedback from other G8 benchmarking group members was that they were consulting on rent increases in a range between 3% and 5%.

Mr Hillard referred to the operating costs and stated that the existing assumptions in relation to reduced staffing costs following the implementation of TOM had already been taken into account in the business plan. [REDACTED]

Mr Hillard advised that the initial results of the stock condition survey had been received which currently recommended a slight increase in spending over the length of the plan, however, this meant that

spending was required to be accelerated in the initial years of the plan.

[REDACTED]

[REDACTED]

Mrs Hillard suggested that the Board or a Sub-Group of the Board meet prior to Christmas in order to consider proposed Business Plan assumptions in more detail in order for these to be factored into the proposed Business Plan which would be presented for approval at the February 2018 Board Meeting. A discussion followed and the Board agreed that the meeting to be arranged should be an informal Board Meeting which would allow as many Board Members as were able to attend the meeting, however, it would not require a quorum to be present for the meeting to go ahead. In response to a query from the Board, Mr Hillard advised that the results of the rent increase consultation would be reported to Board at the February 2018 Board Meeting. The Board noted that this was the first year that the Association would be charging a rent increase of RPI or less.

The Board suggested that the further analysis of the stock condition survey information be available prior to the tenant consultation on the rent increase commencing, given any increased demands for asset management spend would be subject to inflationary increases. It was highlighted that the proposed rent increase would also be carried out alongside the implementation of the proposed rent restructure exercise. A discussion took place on getting the balance right with rent increases to ensure that rents remained affordable and did not tip people into poverty. The Board noted the timescales involved for consulting with tenants on proposed rent increases. It was suggested that some analysis be carried out on the people who previously responded to consultation to establish if they were on housing benefit or not. Mr Hillard commented that there had been approximately 200 tenants responding to the rent increase consultation last year. Some analysis could be carried out to establish their financial position if required.

The Board enquired if the work identified in the stock condition survey would be in order to meet the EESSH Standard by 2020. Mr Hillard confirmed that some of it was. The Board advised that associations

were now being granted an additional year to meet this Standard. Mr Hillard advised that some of the work identified had been rendered replacement which came at considerable cost. It was noted that these types of replacement works required to be carried out timeously in order to prevent further damage and increased costs.

After consideration, the Board noted the content of the report and instructed the Managing Director to:

- a) arrange an informal meeting in December to consider in more detail business plan assumptions in the outline Budget and Business Plan.
- b) Consult with tenants on a proposed rent increase of 3.5% and 4%.

5. **Rent Restructuring**

Mr P. Hillard stated that the Board had previously instructed Arneil Johnston to research and recommend proposals for the restructure of the Association's rents in 2016, the Board agreed at its meeting towards the end of 2016 to hold off implementing proposals for a year, given the timing of the implementation of the target operating model etc. Following previous consultations, feedback received had shaped proposals for a simplistic rent policy which consisted of having a base rent and then additions being charged based on property size and type.

Mr J. Henderson stated that an informal meeting of the Operations Committee had taken place the week before to consider the various 3 options for applying a new rent policy. The 4th option now presented in the paper was a hybrid of the previous options considered. The Board noted that some tenants would face rent increases and some tenants would have their rents frozen over a 5 year period when the new rent structure was implemented.

The Board enquired if there were examples available for how the new proposals would affect individual tenants. Mr Henderson advised that such examples were not available at the meeting but he could drill down to this level of information, if required. The Board also enquired if particular groups were affected by the proposed policy. Mr Henderson advised that tenants in particular areas would be affected. Mr Hillard stated that tenants in the Drongan area would be most significantly affected, whereas tenants in the Harbour area's rents would be frozen.

Following a query from Board, Mr Hillard confirmed that rents for end terraced properties were currently higher than terraced properties and this practice would continue in the new proposed structure. In response to a further question, Mr Hillard confirmed that the rents quoted in the paper were still to have the rent increase applied once it had been agreed. Mr Henderson confirmed that increases applied as

part of the rent restructure would be capped at £15 + the planned annual rent increase. In response to a query from Board, Mr Hillard confirmed that the Association would offer support to the tenants who would face hardship as part of the process. The possibility of reputational damage was discussed and Mr Hillard advised that rent restructures were currently being carried out across the sector, indeed there was a regulatory expectation on housing providers to have transparent rent policies which were clearly understood. Mrs A. Fox-Smith advised that some other housing providers had set a higher cap on increases.

The Board enquired on communication methods for the consultation. Mrs Fox-Smith advised that it was intended that a letter and leaflet would be sent out to all tenants which separated out the rent restructure and rent increase issues and advised of the implications of both. Mrs Fox-Smith advised that in line with usual timeframes for rent increase consultations, this information would be sent out tenants once approval had been granted. The Board expressed concerns about the timing of this information being sent out. Mr Hillard advised that this communication always had to be sent out at this time in order for Board to be able to make its decision on the rent increase early in the New Year in order to allow the rent increase notifications to be sent out within the required timescales. The Board acknowledged that the imminent roll-out of universal credit would also have an impact to tenants at this time.

The Board enquired if there were any flexibility within the rent policy in order to re-consider rent levels as appropriate, should a scenario arise where properties in a particular area became difficult to let. This matter was discussed further and the Board agreed that a clause should be included within the policy which would allow the Board to make a market adjustment should it be required. Any decision made would require to have a transparent process for identifying such an issue for consideration.

The Board commented on the importance of all Association properties being maintained to a high standard in order charge the same rents as new build properties.

After full consideration, the Board approved that the Association proceed with option 4 rent restructuring proposal and instructed the commencement of consultation with tenants on these proposals.

6. **Board Learning and Development Plan**

Mr P. Hillard referring to the Plan stated of the intention to carry out Equality, Diversity and Inclusion training early in the New Year.

The Board noted that the Scottish Housing Regulator planned to review its Regulatory Standards in the New Year. Mr Hillard highlighted that any training on the regulatory environment would be carried out following the introduction of the new Standards.

The Board enquired if the training could be dovetailed in with Board Meeting, with sessions either taking place prior to or after Board Meetings. It was thereafter agreed that Board Members would be canvassed for their views on options for the delivery of training. This would also include e-learning.

After consideration, the Board approved the Board and Learning and Development Plan for 2018.

7. **Performance Report**

Mrs A. Fox-Smith advised that the Financial Performance element of the report had been produced by Group in Mrs M. Hutchinson's absence and Mr P. Cleminson was available to answer queries from Board.

The Board enquired when they would receive a forecast. Mr P. Hillard stated that the forecast would be available at the next Board Meeting. Mr P. Cleminson confirmed that none of the bigger variances currently being reported would have a real impact on the income and expenditure. He confirmed that most of the variances were due to timing issues, with the restructure. The Board noted the variances which were potentially bankable.

The Board queried an adjustment in the depreciation calculation. Mr Cleminson expected that this may have been due to the assets being added to the promaster system, however, he undertook to check this and clarify the position.

Mrs H. Anderson confirmed that arrears targets not being met was in part due to the Housing staff resources being directed towards the implementation of the Target Operating Model and the intensive training rather than pursue the early interaction of arrears cases. Mrs Anderson stated that these dips in targets had been expected and was hopeful that targets could be brought back in line by year end. Following implementation of the new income collection team and housing staff carrying out their new roles, she expected to have a clearer idea of whether the targets would be achievable by year end at the next Meeting.

Mrs Anderson then updated the Board on how service provision and communications would be managed between the income collection and housing staff teams to ensure effective performance moving forward. It

was, however, early days and some tweaks to systems and processes were being made in order to resolve issues as they arose.

The Board expressed concern of the potential for customers to fall into higher arrears which could lead to more difficulties for them, if the focus was not maintained on the early interaction. Mrs Anderson stated that the income collection team was now in place and were also working more flexible hours beyond the usual 9 am – 5 pm, so Officials expected to see the benefit of being able to contact customers for early interactions over a longer service period. Customers had already made comments on the benefits of being able to speak to someone after usual work hours.

Mrs Anderson highlighted that the roll-out of universal credit was also implemented from the next day. The Board noted that Officials were seeking to be as proactive as possible and had contacted potential at-risk customers to give advice and seek to mitigate some of this risk. A discussion then followed on the process for implementing rent direct payments.

The Board thereafter noted the content of the performance reports.

8. **Managing Director's Report**

Mr P. Hillard referring to the implementation of the Target Operating Model, stated that that housing and income collection staff had recently gone through a 2 week period of intensive training on the new ways of working. This training had also continued into the first 2 weeks of operation.

Mr Hillard commented that the staffing numbers quoted in the report, currently demonstrated that both Irvine and Group now employed more staff than had previously been in place in the Irvine office. There had been some tough decisions made as part of this process. [REDACTED]

[REDACTED]

Referring to the office lease, Mr Hillard highlighted that as new ways of working were being implemented, the footfall through the reception area was now notably low. Appropriate analysis was currently being collected in order to carry out a value for money analysis of keeping the counter open to the public.

Following a query from Board, Mr Hillard confirmed that the Regional Services Manager post had not been filled. This post was currently being held vacant for a 6 month period to establish if there was a requirement for this post within the final staff structure.

Following discussion, the Board noted the contents of the Managing Director's Report

9. **Unconfirmed Committee Minutes**

The Committee noted minutes of the:

- a) Group Neighbourhood Services Committee Meeting – 28 September 2017
- b) Audit & Risk Committee Meeting – 24 October 2017
- c) Governance and Staffing Committee Meeting – 1 November 2017
- d) Operations Committee Meeting – 15 November 2017

13. **Any Other Business**

None.

14. **Date of Next Meeting**

Board Meeting – 5.30 p.m. Thursday 1 February 2018, 44-46 Bank Street, Irvine.

P. Hillard
Secretary
22 November 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.