

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Sixth Meeting of the Board held at 5.30p.m. on
Tuesday 23 June 2015 at 44-46 Bank Street, Irvine

Minutes

Present: Mr A. West (In the Chair), Mr C. Bell, Mrs F. Garven+,
Mrs W. Johnstone, Mr D. McEachran, Mr P. McGregor,
Mr B. Sturgeon, Mr J. Wood*

In attendance were Mrs M. Hutchinson, Mrs K. Martin,
Mrs N. Thom and Mr D. Thompson

+ From Item 3

* Via video conferencing

Apologies for Absence

Apologies for absence were received from Miss F.
Dunlop.

Declarations of Interests

There were no declarations of interest.

1. **Minutes of the Last Meeting held on 13 May 2015**

The minutes of the meeting held on 13 May 2015 were approved and
signed.

2. **Matters Arising from the Minutes of 13 May 2015**

a) Matters Arising from the Minutes of 13 May 2015 – Scrutiny Activity
(Min6.)

Mrs N. Thom updated that the Action Plan had now been prioritised
as per the suggestion made by Mr J. Wood and agreed by the
scrutiny group.

Mrs Thom advised that at their last meeting, scrutiny group had a detailed discussion regarding whether a direct nomination from the scrutiny group should sit on the Association's Board. Scrutiny group had agreed not to have a representative sit on the Board, however would follow up on the Board's offer for a member of the scrutiny group to attend any Board meeting that they had a particular interest in attending. Mr P. McGregor felt this would ensure there was no conflict for any scrutiny group member attending Board meetings.

b) Matters Arising from the Minutes of 13 May 2015 – Board Recruitment (Min8.)

Mrs Thom confirmed that the closing date for applications had been that day, advising that 4 applications had been received. Following an informal chat with selected applicants, a recommendation would be made to Board to fill casual vacancies at an additional Board meeting to be scheduled w/c 13 July 2015. This would allow Membership Applications from successful candidates to be considered.

c) Matters Arising from the Minutes of 13 May 2015 – Matters Arising from the Minutes of 24 March 2015 – Board use of IT (Min4 (d).)

Mrs Thom noted that Group had carried out a survey on the IT requirements of Board members. Mr Wood agreed to liaise with relevant staff and clarify results of the survey. Mr A. West noted that the Housing Services Committee were trialling the use of tablets for the next meeting scheduled for 2 July 2015.

3. **Governance Framework**

Mrs N. Thom confirmed that the Governance Framework Document (GFD) had been reviewed by Board in draft at previous meetings. Tabled for each Board Member was a copy of the appendices to the GFD.

At the May 2015 Board meeting, members had been asked to review the GFD and appendices and provide any feedback and comments to Mrs D. Boyle. Only minor comments had been received and these had now been incorporated in the final document. Mrs Thom noted that Board were asked to agree the final GFD and appendices which would then allow the progression of associated actions including Board training requirements, Board recruitment and induction and Board action plan following recent appraisals.

Mrs Thom noted that the role of Managing Director had more recently been appraised by the line manager, however in line with the GFD this

would now be carried out by both the line manager and the Chair of the Association.

Mrs F. Garven joined the meeting.

Referring to Appendix 8, Board Member Agreement for Services, Mrs Thom noted that this was a formal document that would be signed by all Board members. Existing Board members would be expected to sign this following formal approval of the GFD, with new members signing at induction. This document did not make any fundamental change to the way members were expected to operate, it simply formalised the arrangement. Board members noted that they had previously signed a Code of Conduct. In response to a query, Mrs Thom noted that the Agreement for Services would cover any Board member assigned to sit on the Association's Committees and there would be no requirement for any additional documents to be signed. Mr J. Wood confirmed that the signing of an Agreement for Services was standard practice across Group and was recognised as a sign of good governance, noting that it was not a contract of employment and not covered by employment law, it simply set out in writing the responsibilities of both the Association and Board members.

Board thereafter approved the Governance Framework Document and all associated Appendices.

4. **Financial Statements**

Mrs M. Hutchinson confirmed that approval was sought for the accounts of Irvine Housing Association and Thistle Housing Services, noting that Thistle Housing Services remained dormant. Mrs Hutchinson noted that the accounts had been audited by KPMG and draft accounts had been approved by the Audit and Risk Committee on 9 June 2015, advising that KPMG had attended the meeting via video conferencing. Mrs Hutchinson clarified that the audit provided reasonable but not absolute assurance that the financial statements provided a true and fair reflection of financial transactions for the year. Mrs Hutchinson noted that following the request last year from Board, FRS17 information had not been sent to Board, however, Mrs Hutchinson had the information available if there were any questions.

Mrs Hutchinson noted that Board were required to review and approve the Statement of the Board's Responsibilities in Respect of the Board's Report and the Financial Statements and Statement of the Board of management in Respect of Internal Controls as detailed on pages 6 and 7. Board approved these statements.

Mrs Hutchinson noted key highlights as follows:

The Association had made an operating surplus of £3m and an overall surplus of £1.6m for the financial year.

Mrs Hutchinson noted that the Association was able to carry out all promises made including Pennyburn Flats, Arran and the ECO works. The Customer Service Centre had been launched in Irvine earlier in the year providing a 24hour service to customers, with six new employees starting earlier in the week and the Association had received the Employer of the Year award at the Insight HR Awards.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In response to a query from Board, Mrs Hutchinson confirmed that next year accounts would be presented under new accounting standards FRS102.

The Board noted that the Association had met all its loan covenants.

[REDACTED]

Mr D. McEachran, Chair of the Audit and Risk Committee, confirmed that the previous Committee meeting had gone very well and there were no further comments to add.

Board thereafter:

- a) approved the accounts of IHA and Thistle Housing Services for the year ended 31 March 2015;
- b) noted the contents of the auditor's Audit Highlight Memorandum;
- c) authorised the Chairman and Secretary to sign the Management Representation Letter.

5. **Five Year Financial Plan**

Mrs M. Hutchinson advised that the Association was required to present to SHR an extract of the financial plan covering the next five years.

Mrs Hutchinson referred to the tabled papers, advising that due to the nature of the excel spreadsheet these pages had been omitted from the pack sent to members.

Mrs Hutchinson confirmed that no changes had been made to the assumptions in the business plan that had previously been approved by Board in January 2015.

Board approved the submission of the return to SHR.

6. **Loan Portfolio**

Mrs M. Hutchinson confirmed that the Loan Portfolio return was attached at Appendix 1. Details of movements since the last return in May 2014 were included within the paper.

In response to a query from Mr A. West, Mrs Hutchinson confirmed that following advice from Scottish Housing Regulator (SHR), regarding the date of the last report, the covenants would be disclosed as March 2015. Mrs Hutchinson had contacted SHR to clarify the position and had been advised to put the date as March 2015.

The Board:

- a) approved the Annual Loan Portfolio Return;
- b) authorised submission of the Annual Loan Portfolio Return to the Scottish Housing Regulator.

7. **Corporate Cash Manager Account**

Mrs M. Hutchinson noted that Board were asked to approve the opening of a Corporate Cash Manager Plus Account with the National Westminster Bank which would pay 0.4% gross per annum on credit balances as recommended by the Treasury Department at Group.

Board approved that the Corporate Cash Manager Plus Account be opened.

8. **Performance Management**

Mrs N. Thom noted the new format of Appendix 1, advising that the front page showed that status of each KPI, with the reverse page detailing a comparison with other Divisions.

Mrs Thom confirmed that the Stock Void and Re-Let Period KPI's were within target. In response to a query from Mr A. West, Mrs Thom noted that the Association had factored in capacity in the event of void turnover increasing. Mrs Thom advised that the Current Rent Arrears result was the best since March 2013, following on from a review of staff duties. Regarding Gas Safety, Mrs Thom noted that there were issues with the recording system and of the 5 reported properties on the system, gas services had in fact been carried out at all properties. Mrs Thom clarified the various issues with the system noting that Association staff had now received full training and had cascaded this to Contractors. System errors were being addressed and Mrs Thom would report back to Board with an updated position at the next

meeting. Referring to the Data Quality indicator, Mrs Thom confirmed that two new key pieces of information were required to be recorded for tenants. Mrs Thom clarified that the way in which First Time Fix's were measured had been amended and the target was now 85%. Mr J. Wood noted that these results were an excellent start to the year and asked that the teams responsible were recognised for all their hard work, in particular cash leakage.

Thereafter, the Board:

- a) noted the Association's performance against the Group's Top Ten KPI's for Group and Local Targets;
- b) noted the Association's performance against the current monthly Performance Review report and Analyse by Division reports;
- c) reviewed and ensured the Association's compliance with the funder's financial covenants.

9. **Information Items**

Board noted the following items:

- a) **PR & Networking Report**
Following discussion Board agreed to continue with this report for the remainder of the financial year.

Board noted the content of the PR Events and Networking Report.

- b) **Rule 67 Statement by the Secretary**
The Board noted the Company Secretary's formal statement in relation to Rule 67.

10. **Any Other Business**

Mrs N. Thom referred to the tabled item, Briefing Note from HSC Away Day, which had been tabled for Board's information. The key topics covered included performance, delivery of housing services and governance structure.

Also tabled was the FTA Collections year-end report which had been presented to the Housing Services Directors on 15 June 2015.

In response to a query from Board, Mrs Thom advised that factoring debt continued to be calculated and collected using manual systems. In 2013/14 21% of debt had been collected compared with 42% in 2014/15. Mrs Thom noted that a full report had been provided to the Audit and Risk Committee earlier in the month and it had been agreed to review this again in six months by the Audit team.

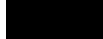


11. **Date of Next Meeting**

Shareholder Conference & Annual General Meeting – Monday 17 August 2015.

N. Thom
Interim Secretary
27 June 2015
NT/kom

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 = This section of text has been subject to redaction prior to the publication of minutes on the website.