

**THE RIVERSIDE GROUP LIMITED**

**IRVINE HOUSING ASSOCIATION**

Two Hundred and Ninth Meeting of the Board held at 5.30p.m. on  
Thursday 28 January 2016 at 44-46 Bank Street, Irvine

**Minutes**

Present: Mr A. West (In the Chair), Mr C. Bell, Miss F. Dunlop, Mrs F. Garven, Mrs J. Murray, Miss K. Osborne, Mr B. Sturgeon and Mr J. Wood

In attendance were Mrs N. Thom, Mrs D. Boyle, Mrs M. Hutchinson and Ms A. Robertson

Apologies for Absence

Apologies for absence were received from Mr N. Alexander, Mrs W. Johnstone and Mr D. McEachran.

Declarations of Interests

There were no declarations of interest.

1. **Preliminaries**

The Chairman welcomed Ms A. Robertson to the meeting. Ms Robertson was attending the meeting as a Tenant Scrutiny observer.

2. **Minutes of the Last Meeting held on 25 November 2015**

The minutes of the meeting held on 25 November 2015 were approved and signed, subject to Miss K. Osborne being removed from the Present section.

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

[REDACTED]

[REDACTED]

[REDACTED]

b) **Committee Minutes & Policies (Min.3.)**

Mrs Thom advised that the Association had been successful in its recent court action against three owners to retrieve outstanding factoring charges.

[REDACTED]

The Committee noted that Mrs Thom was also due to attend a hearing by the Homeowners Panel to consider the Association's legal right to charge for the factoring service.

[REDACTED]

4. **Committee Minutes & Policies**

The Board noted the draft minutes of the:

- a) Group Housing Services Committee Meeting held on 3 December 2015.
- b) Operations Committee Meeting held on 19 January 2016 which had been tabled and also previously emailed to Board Members.

5. **One Riverside – IHA Delivery Plan**

Mrs N. Thom advised that Board had previously agreed to hold off producing a Corporate Plan pending the merger with Barony Housing Association which had subsequently not gone ahead. Given Group's Corporate Plan was now in its final year, it was considered more appropriate to produce an Implementation Plan which sought to achieve the objectives contained within this Plan, which would be used as an Interim Corporate Plan, rather than produce a Corporate Plan this year which would require to be re-written again next year when new Group-wide objectives would be set.

The Board noted that the proposed actions and initiatives contained within the Implementation Plan were considered achievable in addition to progressing the objectives coming out of the Target Operating Model process.

After consideration, the Board:

- a) approved the proposed initiatives and actions contained in the OneRiverside: Implementation Plan 2016-17 and agreed to use this as an Interim Corporate Plan.
- b) agreed that the Association would produce its own Corporate Plan in 2017, following the production of Group's new Corporate Plan.
- c) approved the Association's Corporate Risk Map.

6. **2016/17 Budget and Long Term Financial Plan**

Mrs M. Hutchinson stated that the draft Financial Plan sought to deliver 4 key objectives:

- No dependence on above RPI rent increases for the life of the plan.
- Maintenance or improvement on the agreed development programme for 115 rented units.
- Continued expansion of services and support within our communities without any detrimental effects on performance levels
- Having a robust long term plan which was adaptable to the effects of welfare reform or any other financial storm.

The Board noted the position of the Association's debt profile if the draft budget presented was agreed.



[REDACTED]

[REDACTED]

[REDACTED]

Mrs Hutchinson highlighted that the rent increase proposed was 0.3% lower than the assumptions made in the previous financial plan. The Board noted the tabled results of the tenant consultation which had been carried out on the proposed increase of 1.8%. [REDACTED]

[REDACTED]

The Board noted how the Association's proposed rent increase and average weekly rent compared with its peers.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board noted the measures which were in place in order to mitigate the Association's exposure to key financial risks.

[REDACTED]

The Board had a full discussion on sensitivities around the financial plan. [REDACTED]

The Board then considered the results of other scenario planning which Mrs Hutchison had already carried out. [REDACTED]

[REDACTED]

[REDACTED]

The Board thereafter approved:

- a) The rent increase for 2016/17 of 1.8%.
- b) The draft budget for 2016/17 and the 30 year business plan, which was subject to final approval by The Riverside Group Ltd Board.

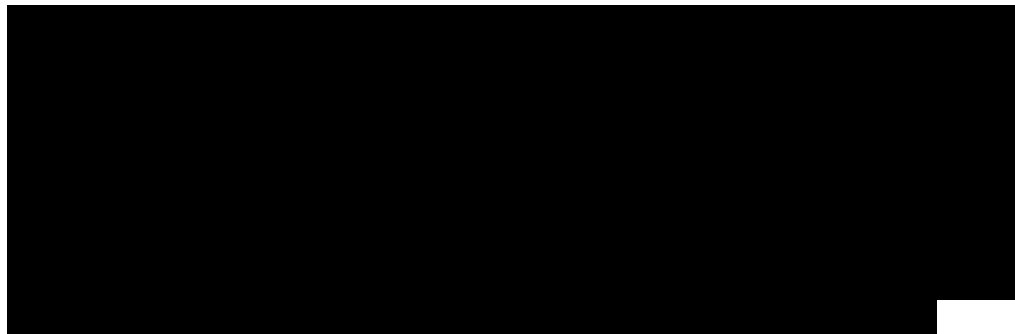
Mrs Thom thereafter tabled a paper which was a transcript of the Scottish Housing Regulator's Director of Finance & Risk's speech at a recent Finance Conference which talked about the Regulator's view of the key risks which the sector currently faced. The risks highlighted were as follows:

- Changes to the English housing associations rent setting and the impact this would for Scottish subsidiaries.
- The increasing pensions liability
- The effective monitoring of covenants
- The impact of Welfare Reform
- The implications of the Scotland Bill
- The robustness of the Internal Audit function
- New Business Planning guidance

The Board noted that these were all risks which had been previously identified by the Association. The Board discussed the impact of these risks and agreed it would be opportune to carry out some detailed analysis of these risks during the coming months in order to ensure that appropriate mitigation plans were put in place and also to position the Association well in the context of carrying out its business planning for the financial year 2017/18.

## 7. **Managing Director Secondment**

Mrs N. Thom and Mrs M. Hutchinson then left the Meeting.



The Board thereafter:

- a) agreed to the extension of the secondment of Mr Hillard, Managing Director, to the Riverside Group Ltd from 1 February 2016 to 30 September 2016.
- b) Delegated authority to Mr Hillard to continue to manage the Growth Strategy for Scotland.

- c) Agreed to continue the appointment of Mrs Thom as the Interim Managing Director for the period from 1 February 2016 to 30 September 2016.
- d) Noted the notifiable event to the Scottish Housing Regulator.

8. **Performance Management**

Mrs N. Thom and Mrs M. Hutchinson joined the Meeting.

Mrs Thom, referring to the Top Ten KPI's, advised that additional resources were temporarily being applied in order to seek to achieve the rent arrears year-end target. This target was very challenging, however, she was hopeful that it could be met.

Following a query from Board regarding the increase in Universal Credit Claimants in the Cash Collection Dashboards, Mrs Thom confirmed that this increase was not causing concern as this was being managed by the team and staff were learning lessons and seeking to improve processes on a continued basis.

The Board enquired on the impact of benefit backdates being limited to a four week period from April 2016. Mrs Thom advised that this was a major risk to the Association due to the impact this would have. Changes to processes were being considered and implemented in order to mitigate this risk for example, early interaction and assistance for tenants in completing applications. The Board noted that there would be a resource impact for adopting these required changes.

The Board thereafter:

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

9. **Information Items**

The Board noted the following items:

a) **Scotland Growth Strategy**

The Board noted the contents of Group's Scotland Growth Strategy.

The Chairman advised that Group's Scotland Committee were due to meet in March 2016 to consider options for taking this Strategy forward.

b) **Managing Director's Report**

The Board noted and agreed the format of the Managing Director's Report.

c) **PR & Networking**

The Board noted the PR & Networking Report

10. **Any Other Business**

a) **Response to Refugee Crisis – Dumfries and Galloway**

Mrs N. Thom stated that was expected that Dumfries and Galloway Housing Partnership would provide the majority six / seven properties requested from the registered social landlords, given its size and stock profile. Dumfries and Galloway Council had advised it was preferable the houses were made available rather than flats. The Association did not currently have any houses available, however, subject to Board approval, if any suitable properties became available, they would be offered into the pool.

Mrs Thom advised that a very detailed project plan had been devised by the relevant agencies. She was confident that the appropriate scenarios had been planned for.

Following a query from Board, Mrs Thom stated that East Ayrshire and North Ayrshire Councils had advised that they were allocating properties to refugees from within their own stock for the time being. The Association had advised of its agreement, in principal, to make properties available to them, prior to this. The Board noted that proposals would be brought for consideration should any further approaches be made with regard to providing any future housing.

After consideration, the Board:



- i) Agreed to the proposal to offer practical support and assistance to statutory agencies within Dumfries and Galloway provided the appropriate support as detailed remains in place.
- ii) agreed to the use of the Common Allocation Policy to assess and re-house refugees.

b) Strategy Away Day

The Board noted that a date would be fixed in due course for a Board Strategy Away Day in May 2016.

c) Eyedent Group

The Chairman advised that he and Mr B. Sturgeon was due to attend a dinner meeting with other members of this Group to discuss its future. The Board delegated authority to the Chairman and Mr Sturgeon to make the decision on whether the Association continues to be part of this Group.

11. **Date of Next Meeting**

Board Meeting – 5.30 p.m. on Tuesday 29 March 2016, 44-46 Bank Street, Irvine.

N. Thom  
Interim Secretary  
29 January 2016  
NT/db

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