

HIGHLIGHTS OF IHA'S BOARD MEETING HELD ON 25 SEPTEMBER 2018

FUTURE GOVERNANCE STRUCTURES

Board discussed in detail, and approved, the concept of the 3 proposed working groups, their terms of reference and the membership of each group. It was agreed to disestablish the Operations and Governance & Staffing Committees, whilst approving the Board Terms of Reference. Following discussion regarding the policy approval framework, Board noted and approved the approval process for policies and the schedule of delegated decision making to Riverside central services.

ADULT SUPPORT & PROTECTION AND CHILD PROTECTION POLICIES

Following full review of the draft policies, Board approved the Adult Support and Protection and Child Protection Policies.

REMOVALS FROM MEMBERSHIP

The Board approved the removal of 28 members in accordance with Rule 15.

OSCR ANNUAL RETURN

The Board approved the Annual Return be submitted to OSCR.

WHOLE BOARD APPRAISAL ACTION PLAN

Board noted progression towards completion of the 2017 action plan and timescales for outstanding actions to be completed. Following discussion, Board agreed the content of the 2018 Whole Board Appraisal Action Plan.

PERFORMANCE REPORT

Board were advised of the financial position, noting favourable variances with the exception of programmed repairs and service charge income. Board noted the Association's performance in meeting KPI's and what steps were being taken to improve performance. Officials advised that the key issue was rent arrears and the impact of Universal Credit.

RENT ARREAS RECOVERY

Officials provided information on rising rent arrears, advising that analysis had been undertaken to estimate the amount of customers who would be claiming Universal Credit over the next 4 years. Board noted the process for claiming Universal Credit and the steps being taken by Association staff to address the delayed payment of this benefit situation.

MD REPORT

Board noted the position in relation to the negotiation of new funding options for the Association.

Officials updated on the lease for the Bank Street premises and Board noted that officials undertake a consultation exercise regarding how services were accessed.

Board noted that the Tarryholme development was progressing to programme and on budget.

THE RIVERSIDE GROUP LIMITED

IRVINE HOUSING ASSOCIATION

Two Hundred and Twenty Fifth Meeting of the Board held at 5.30p.m. on
Tuesday 25 September 2018 at 44-46 Bank Street, Irvine, Ayrshire

Minutes

Present: Mr D. McEachran (In the Chair), Mr C. Bell, Mrs M. Burgess,
Mr G. Darroch, Mrs J. Galbraith, Mr R. Hill, Ms C. McGuinness
and Mrs J. Murray.

In attendance were Mr P. Hillard, Mrs H. Anderson, Mrs M.
Hutchinson, Mrs K. Martin and Ms E. Turner.

Apologies for Absence

Mr D. Thornton.

Declarations of Interests

None.

1. **Minutes of Previous Meetings – Operations Committee 20/2/18,
Board Meeting 27/6/18 and Special Board Meeting 22/8/18**

The minutes of the meetings noted above were approved and signed. Mrs
H. Anderson confirmed that the Rechargeable Repairs Policy had been
implemented.

2. Future Governance Structures

Mr P. Hillard apologised for the late issue of the paper, noting that the Terms of Reference for Board had not been materially changed, with just minor adjustments being made. Mr Hillard advised that review of the remit of the Audit and Risk Committee had been put on hold for the time being. The Risk Management Policy was due to be presented to the next Audit and Risk Committee meeting scheduled for 9 October and would then be recommended to Board. Mr Hillard therefore proposed that the membership of the Audit and Risk Committee remain the same at the moment.

As per previous discussions at the Board Strategy Day, it was recommended that the Operations and Governance and Staffing Committees be disestablished, whilst implementing short life working groups and establishing better use of on-line tools for consideration of key issues and enabling decision making. Mr Hillard noted that key pieces of information presented to those committees, such as performance indicators and updates on staffing would be made available to Board members via the on-line REX portal and the performance report would continue to be reported to Board. With the establishment of three short life working groups, covering Operations, Employee Terms & Conditions and Development Appraisal, these areas could be explored fully by the working group with issues of a material nature being presented to Board. Mr Hillard noted that working groups could evolve over time with new groups being established as required and also dissolved when they had served their purpose. Further to the request to Board members to express an interest in which working group they wished to participate in, Mr Hillard advised membership as follows:

Operations	Mrs J Murray, Mr G Darroch and Mrs M Burgess
Development Appraisal	Mr D McEachran, Mr R Hill and Mr D Thornton
Terms & Conditions	Mrs J Galbraith, Mr D McEachran and Mr C Bell

Mr Hillard noted that Mr D. McEachran was required to participate in the Terms & Conditions working group as Chair of the Board due to the nature of the remit of the group. Mr Hillard's Terms & Conditions would be reviewed and these were unique to the Managing Director post. Mr Hillard noted that Terms of Reference for each working group were attached as appendices to the paper for information.

Referring to the proposed Policy Approval Framework which was broken into three sections, Mr Hillard clarified that Groupwide Policies which included IHA would be developed jointly by Group and IHA officers, ensuring that all relevant legislation and regulatory guidance was followed, reflecting Scottish context where applicable. These would then be presented to IHA Board for discussion and approval if necessary,

before being presented to Group Board for final approval and implementation.

There would be policies that IHA would assume full responsibility for, Officers would consider Group practices and any equivalent English policy when drafting policies within this category, however the focus would be on the Scottish (or local) context, relevant legislation and regulatory guidance and good practice to be followed by a Scottish registered social landlord. These policies would be approved solely by the IHA Board.

Finally, there would be policies that would not require Board approval, and instead approval would be delegated to the Managing Director. These formed two categories – Information Technology and Human Resources.

Board noted that policies detailed within the policy approval framework, attached at Appendix 5, provided a comprehensive list of policies applicable to the Association and these would supersede previous policies.

In reviewing the policy framework, it was noted that some management decisions, relating to certain areas of the Association's support activities were delegated to Riverside central services teams. These decisions and functions were reviewed in terms of the Association's business and finances and it was felt that certain decisions were of such a nature that Board approval to this practice of delegation was required.

Board commented that the Whistleblowing Policy should be referred to the IHA Board in order to ensure and promote a culture of openness to the staff of IHA. Ms McGuinness agreed that although this was a Groupwide policy, the IHA Board should see and own this for IHA.

Ms McGuinness raised a concern that Board Members participating in working groups may subsequently find it difficult to challenge the outcomes of the working groups when they come to Board.

In response Mr D. McEachran provided a brief history on the Board's decision for Board members to participate fully in working groups to ensure a full understanding by Board members regarding key aspects of the business, and enabling Board members to be involved in the decision making and recommendation processes. Mr McEachran advised there was no intention for Irvine to be doing anything radically different from Group, IHA Board members wanted to be aware of information received and have the opportunity to fully understand and challenge if required. Mr Hillard suggested the Groups be a 'sounding board', with final proposals going to Board following discussion at the working group.

Referring to the Development Appraisal working group, Mr Hillard commented that the IHA Board were required to approve different decisions, which raised different governance questions, to the Group format. Ms McGuinness agreed that IHA Board should be appraising developments, noting that these also required to go through the Group Investment Appraisal Committee. It was noted that Board would benefit from training on NPV.

The Terms of Reference of the Terms & Conditions working group did not provide the working group with decision making powers. Negotiations would be required with IHA staff, with final decision being taken by the IHA Board. Mr Hillard clarified that there would be significant input by officers in the working groups, however these would not be a formal forum like a Board meeting. Mr Hillard referred to the process followed previously in relation to Rent Restructuring, when meetings were held informally with members of the Operations Committee to fully review options before referring to Board for final decision. Board commented that implementation of short life working groups was the preferred route to take following disestablishment of committees.

The Board thereafter:

- a) Approved the Board Terms of Reference
- b) Agreed to disestablish the Operations and Governance & Staff Committees
- c) Agreed to the establishment of three short life working groups, namely Operations, Employee Terms & Conditions and Development Appraisal, and agreed the proposed Terms of Reference
- d) Agreed the proposed membership of each short life working group
- e) Approved the Policy Approval Framework
- f) Approved the schedule of delegated decision making to Riverside central services

3. **Adult Support and Protection Policy and Child Protection Policy**

Mrs H. Anderson advised that all of the Association's operational policies and procedures had been reviewed and updated prior to March 2018. However, in May 2018, Mrs Anderson had met with representatives from North Ayrshire Council Adult Support and Protection (ASP) and Child Protection (CP) Committees with a view to sharing good practice and clarifying roles and responsibilities. Following this, the Association's ASP and CP policies were reviewed to reflect local and Scottish context and good practice.

Mrs Anderson noted that key amendments included that feedback was monitored, a firm commitment to ensure key staff receive training and development in this area, ensure policy objectives were met and reviewed every 3 years and that referral forms were up to date.

In response to a query from Board, Mrs Anderson advised that no benefit would have been achieved from consulting with tenants, the review was carried out to ensure compliance with legislation, and that our key partners in East Ayrshire Council and Dumfries and Galloway Council had also been liaised with.

Mrs Anderson confirmed that the local authority had overall responsibility for this area, however the Association had a right to provide information as appropriate. Any risk to the Association was reputational. Mrs Anderson noted that staff had been fully trained and confirmed that information sharing protocols were in place with relevant partners.

Mrs Anderson noted that the Association had a duty to respond if any risk was identified and there was a clear referral process for all partner agencies to follow. The new Tenancy Sustainability team would be the named individuals for referrals, reporting mechanisms and links to the correct services. Board noted that the Association should not be assuming responsibility and would need to evidence that the correct process was followed. Following a comment from Board regarding the terminology 'named person', Mrs Anderson agreed to phrase this differently in the final version of the policies. It was also noted that the content pages of both policies required to be updated.

Board thereafter approved both the Adult Support and Protection and Child Protection policies.

4. **Removals from Membership Register**

Mr P. Hillard advised that the Association's Rules state that members who have failed to attend or submit apologies for 5 consecutive Annual General Meetings will be removed from the Membership Register, subject to the passing of a resolution by the Board. Mr Hillard stated that, should the resolution be passed, the members who would be removed from the Membership Register would be advised in writing of the Board's decision.

The Board thereafter approved the removal of the 28 members presented in the paper from the Association's Register of Members.

5. **OSCR Annual Return**

Board noted the content of the Annual Return and approved that the Managing Director submitted the on-line return on behalf of Irvine Housing Association.

6. **Whole Board Appraisal Action Plan**

Mr Hillard noted that as per the Governance Framework, the Board was required to be appraised annually, by individual board member appraisal and also whole Board appraisal processes.

Referring to the 2017 whole Board appraisal, there were two items outstanding. Mr Hillard proposed that a facilitated session on Group working be incorporated into the next Strategy Day. Regarding Diversity within the Communities, Mr Hillard advised that the Policy and Performance team would undertake this piece of work to enable a better knowledge of the composition of our communities.

Board thereafter noted the completed and outstanding actions from the 2017 Whole Board Appraisal Action Plan, and approved the content of the 2018 Whole Board Appraisal Action Plan.

7. **Performance Report**

Mrs M. Hutchinson provided a brief overview of the financial performance period advising that variances were favourable with the exception of programmed repairs and service charge income. These were attributed to timing differences, with Mrs Hutchinson noting that a reforecast was due in early October. [REDACTED]

Mrs H. Anderson referred to the process of the Income Collection team focussing on early intervention to prevent arrears escalations and noted that further training had been provided to the team. Key staff had also received additional training on Universal Credit. Mrs Anderson noted that former tenant arrears exceeded target and that the void re-let was now at 9.3 days, still outwith the target of 8 days.

Referring to customer satisfaction, Mrs Anderson highlighted the general decrease in the net promoter score. Following further investigation into this area, Mrs Anderson advised that repairs and maintenance and lack of investment in stock were key areas of dissatisfaction. Mrs Anderson advised that an action plan to identify how key areas would be improved would be developed. The plan would include value for money, repairs and maintenance and customer services. Board queried if dissatisfaction could be due to the rent increase at the start of the year, affecting customer's experience. Mrs Anderson agreed that this was a potential factor noting that the capital investment programme would

allow a planned approach and at sign up stage, tenants would be provided with dates for planned works to their property.

Regarding 24 hour call back, Mrs Anderson advised this had been around 4% below target. Additional training had been provided which identified geographical and systemic issues which would now be addressed.

In summary, Mrs Anderson highlighted that the key issue was rent arrears. Board queried if perhaps the timing of implementing TOM, when the effects of Universal Credit were imminent, had an effect. Mrs Anderson agreed that early intervention was key and this had not been fully effective due to training requirements within the Income Collection team. Mrs Anderson agreed to review information for a link between rent restructuring and the increase in arrears.

The Board noted the reports given on the Association's financial and operational performance.

8. **Rent Arrears Recovery Performance**

Mrs H. Anderson noted that since October 2017, the Association's levels of rent arrears had increased significantly, rising from 1.54% to the current position of 2.58%. The target had been increased to 1.95% for 2018/19, however the full impact of Universal Credit had not been known when the target was set.

Mrs Anderson advised that the number of tenants in rent arrears had risen from 429 in October 2017 to 646 in August 2018. 37% of arrears were attributed to Universal Credit with the number of tenants claiming Universal Credit rising from 57 in October 2017 to 225 in August 2018. Based on these levels, it was estimated that by 2022 there would approximately 1300 tenants claiming Universal Credit causing considerable impact to the Association.

Data available had now been reviewed by officers, and if baseline rent arrears were to remain the same, the Association needed to identify how to address this moving forward and how to accept the level of Universal Credit and manage the consequences.

Mrs Anderson referred to the length of time it took for payment to be made to the rent accounts for a new claim noting that this could not be backdated, therefore every tenant claiming Universal Credit would have arrears of at least one months' rent.

Mrs Anderson noted the steps taken to address the situation, including carrying out additional training, applying for direct payment to the Association from DWP where applicable, increased face to face interaction with tenants and a mail shot was sent to all tenants advising

of the services available by the Association. Association staff members would continue to work closely with tenants to provide support in making and processing claims as early as possible, with direct support provided by the Tenancy Sustainability team.

In response to a query from Board, Mrs M. Hutchinson confirmed that Universal Credit payments would be backdated, with the exception of the first month and therefore would not require to be written off.

Mrs Anderson clarified that as part of Riverside the Association had trusted partner status and therefore in certain cases could apply to have payments, with the exception of the first month, to be made directly to the Association. For tenants in arrears, we would ask for a payment of £5/£10 to show a commitment to covering the shortfall.

Board queried how much would be required to reforecast due to impact on cashflow. Mrs Hutchinson noted that as a new system was now being used this was not clear. Ms E. Turner advised that income, as well as expenditure, was reforecast. Ms C. McGuinness noted that the system allowed for quarterly forecasts to be undertaken with the ability to reforecast cash across the Group.

Regarding the Association having trusted partner status, Ms McGuinness advised that tenants had to select Riverside, not IHA, as their landlord when completing the online tool. Mrs Anderson noted that this had affected only six tenants and since it had been discovered, communication was now provided to tenants to make them aware of this prior to completing the application.

Board noted the content of the paper.

9. **MD Report**

Mr P. Hillard gave his report on four key current items of significance to the Association:

[REDACTED]

Bank Street Office

Mr P. Hillard advised that as agreed at the post AGM Board Meeting in August, the pre-existing Chair's Action Procedure had been used to enter into a ten year lease on the 44-46 Bank Street premises.

[REDACTED]

Regarding the current layout within the Bank Street office, Mr Hillard proposed that there would be a re-organisation, possibly with all Irvine staff moving to the front office to allow more space for the Income Collection and Customer Service teams to expand.

[REDACTED] Mr Hillard planned to carry out a consultation process with tenants to determine how best to deliver services and provide options on ways of engaging tenants with the Association. Reception footfall had been monitored with 75 unarranged visits to the office in December – this included the postman

[Redacted text block]

10. **Unconfirmed Committee Minutes**

The minutes of the Group Neighbourhood Services Committee held on 5 July 2018 were noted.

11. **Date of Next Meeting**

Wednesday 28 November 2018 at 5.30pm.

P. Hillard
Secretary
30 September 2018
PH/km

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