



ARGYLL COMMUNITY HOUSING ASSOCIATION BOARD OF MANAGEMENT MEETING

Thursday 14th August 2014 at 10.30am, Argyll Hotel, Inveraray

Minute

Present:

Mike Brown (Chair)
Jim Milne (Vice chair) (items 1 – 7.1)
Lorraine Anne Drysdale (Finance and Audit Chair)
Andy Birnie
Archie Blair
Colin Davidson
Stafford Day
Cameron Grant
Danny Kelly
Margaret MacGregor
Douglas Prophet
Kate Winton

Not in Attendance:

None

In Attendance:

Alastair MacGregor, Chief Executive
Nick Pollard, Director of Finance & IT
Christine Johnston, Director of Housing & Neighbourhood Services
Colette Benham, Director of Human Resources & Corporate Services
Linda Haig, Director of Investment and Regeneration
Richard Gibson, Haines Watts
Lesley Lindsay, PA to Board of Management

The Chair welcomed Colin Davidson, Chair of Mid Argyll & Kintyre Area Committee to the meeting and introduced Richard Gibson from Haines Watts.

1.	Apologies Councillor Bruce Marshall, Councillor Richard Trail, Councillor Sandy Taylor, Councillor Donnie MacMillan, Councillor Roddy McCuish	
2.	Minutes of Previous Meeting – 10th July 2014 Page 12 – Item 11.1 – it was requested the word “apportioned” be change to “added”.	Lesley

	<p>Subject to the above amendment, the Board of Management APPROVED the minute as true and accurate record.</p> <p>Proposed by: Lorraine-Anne Drysdale Seconded by: Cameron Grant</p>	
3.	<p>Matters Arising</p> <p>Page 4 – Item 8 – Andy Birnie asked for clarification from Councillor McCuish why the community had not previously been offered the Rockfield building for £1.</p> <p>Page 4 – Item 8 – the Chief Executive stated the Board had agreed if the Council did not reach a decision regarding Rockfield at their meeting on 13th August 2014, the Association would be required to re-visit their decision. He confirmed he had written to the Chief Executive of the Council to convey that decision.</p> <p>Page 10 – Item 10.3 – the Director of Housing & Neighbourhood Services was asked to confirm how much BMG had been paid for the Tenant Satisfaction Survey. The Board were advised the cost to the Association had been £6,510.</p> <p>Page 13 - Item 13 – AOCB – the Director of Housing & Neighbourhood Services advised an investigation had been undertaken in relation to the concerns raised by Cameron Grant regarding a potential health and safety issue. The Board were advised that AHFA's Health & Safety Manager had interviewed all parties concerned and the matter had been concluded.</p>	Roddy
4.	<p>Minutes of Finance & Audit Committee for Ratification – 12th June 2014</p> <p>Page 3 – Item 5 – replace “ration” with “ratio”</p> <p>The Board of Management ratified the minute.</p>	GS
5.	<p>Conflict of Interest to Declare</p> <p>None</p>	
6.	<p>Correspondence</p> <p>Letter from SHR and Chair's response</p> <p>The Board of Management noted the contents of both the letter from the Scottish Housing Regulator and the Chair's response.</p>	

	<p>The Chair advised he would update the Board once a response had been received.</p> <p>The Chief Executive advised that Elected Members in the Oban, Lorn & Isles area, along with other ACHA stakeholders had received an anonymous diatribe from the “Voice of Oban”. The diatribe attacked Argyll and Bute Council, M & K MacLeod, ACHA and anyone who did not want to save Rockfield as a community hub. The Chief Executive advised the diatribe had been identified as potentially libellous and criminal. The correspondence was passed to Police Scotland. ACHA sought legal advice from BTO, who stated it was their belief ACHA had been libelled by the correspondence. The Chief Executive further advised that M & K MacLeod had been in contact with the police. It was confirmed that Police Scotland were making enquiries to try to trace the author.</p> <p>The Chief Executive stated any Board member who wished to read the diatribe could do so on the 4Argyll website. Board members were advised the biggest attack had been on the Association’s Secretary, Councillor Roddy McCuish.</p> <p>The Board were advised the Association had submitted a Notifiable Event form to the Scottish Housing Regulator in connection with the matter.</p> <p>Police Scotland will report back following an investigation.</p>	
7.	<p>Chief Executive’s Presentation</p> <p>The Chief Executive welcomed Colin Davidson back onto the Association’s Board of Management.</p> <p>The Chief Executive gave a presentation covering:</p> <ul style="list-style-type: none"> • Key Updates • Welfare Reform and the Bedroom Tax <p>All members in attendance were provided with a copy of the Chief Executives presentation.</p> <p>The Chair sought clarification that the bedroom tax arrears were less than projected. The Director of Housing & Neighbourhood Services confirmed they were less as a result of being fairly successful in obtaining Discretionary Housing Payments. The Director of Housing & Neighbourhood Services advised the Council would be reviewing the criteria for Discretionary Housing Payment cases. She further advised the bedroom tax had had a negligible impact on arrears.</p>	

	<p>The Chair asked for comments on the valuation of Dalriada House. The Chief Executive advised it was the District Valuers valuation and there would be works required to be carried out in relation to the building condition. Colin Davidson questioned the benefit of buying a fairly dilapidated building. The Chief Executive stated that was a fair point and advised a report would be submitted to the Board providing an analysis of needs.</p>	AMG
7.1	<p>Future Governance Proposals</p> <p>The Chair talked the Board through all the recommendations:</p> <ol style="list-style-type: none"> 1. The Board of Management will meet 8 times a year as opposed to the current 12 2. The Board of Management will reduce from 20 to 18, comprising 10 Tenants, 5 Independents and 3 Councillors 3. Area Committees to be disbanded and replaced by two stakeholder consultation events annually per area 4. The Tenant Scrutiny Panel will facilitate community links and engagement to ACHA 5. The Finance & Audit Committee will continue. Board to consider whether or not the Finance element would be covered at Board meetings 6. Quarterly Strategic Planning meetings per annum tying in with a Board day 7. Annual Policy Review day to replace quarterly Policy Committee meetings 8. Remuneration Ad-Hoc Committee to meet as and when required 9. Evening meetings should be piloted along with daytime meetings 10. If the above proposals are agreed, necessary Rule changes should be drafted for a Special General Meeting and the Scottish Housing Regulator and Argyll and Bute Council should be consulted and their position sought 11. A formal timeline is brought back to the Board for information <p>Recommendation 1 The Chair advised meetings would be reduced to 6 weekly and reports would require to be reduced in size with Senior Staff reporting by exception. The Board of Management AGREED recommendation 1.</p> <p>Recommendation 2 The Chief Executive advised the Council had historically wanted</p>	

five Council Nominees on ACHA's Board for issues of comfort. He added that he was unaware of any other Housing Association in Scotland having five Council Nominees on their Board, whilst it was fairly common for Association's to have one or two Council Nominees. The Chief Executive suggested liaising with the Council to reduce the number of Council Nominees by two. Colin Davidson agreed and added the SHR had always commented on the size of ACHA's Board and the reduction in Council Nominee numbers would be a good way to make a minor amendment.

The Board of Management **AGREED** to recommendation 2, subject to agreement from the Council.

Recommendation 3

The Chair explained the reasoning behind the recommendation and provided an example using Helensburgh & Lomond Area Committee. He advised the Helensburgh & Lomond Area Committee had seven members, of which four were also Board members, who already received the same information via Board meetings. He questioned the amount of duplication and whether any additional information was being disseminated via the Area Committees. Colin Davidson stated he felt Area Committees served a useful purpose and added there may be justification in changing the amount of business dealt with, along with removing the need for Senior Staff to attend. He stated that consideration should be given to the way Area Committee meetings were run but further added he would be reluctant to see the Committees being disbanded. Andy Birnie agreed and stated he had been involved with ACHA since its inception and felt the Area Committees were beneficial in allowing progression onto the Board. He advised that the Oban, Lorn & Isles Area Committee were involved with many community events and it would be missed if the Committees were to be disbanded. Andy further stated it would be beneficial to try to encourage young people to join. Stafford Day agreed with Colin and Andy and stated it would be a shame to punish the good Area Committees because of the bad ones. Kate Winton stated in her view Area Committees were essential. Cameron Grant asked whether the Area Committee remit could be revised to provide them with more delegated powers. The Chair of the Finance & Audit Committee advised that exercise had been carried out approximately 12 months ago but the Board had not agreed on further delegation. Douglas Prophet commented that locals had the option to attend and the Association's ethos was supposed to be "tenants first".

The Chair advised he had attended all 4 Area Committee AGMs and they had been lucky to be quorate and felt that changing to two community events per year would provide local communities with a better opportunity to engage with the Chief Executive and Senior Staff. The Chair of the Finance & Audit Committee stated a community event had been arranged in the past and only two people had attended. The Chief Executive stated that the community events would be properly structured and advertised. He added they would benefit community engagement as the current Area Committee structure did not do that but duplicated a lot of the Board of Management governance. Margaret MacGregor advised that a fairly high number of sheltered housing residents used the Bute & Cowal Area Committee to raise complaints and questioned what would happen to them. The Chief Executive stated the Association had good engagement with middle aged and elderly tenants and the worst communication was with younger tenants.

Colin Davidson proposed a formal motion for the Area Committees to be retained subject to a reduction in senior staff involvement. He further proposed the stakeholder consultation events be trialled and the future of Area Committees be reviewed at a later date. Stafford Day seconded the proposal.

The Chair asked for a show of hands for the proposal:

10 votes for the proposal

1 vote against the proposal

As a result of the vote, it was **AGREED** to retain the Area Committees. The Board of Management further **AGREED** a review would be undertaken in August 2015.

Recommendation 4

The Chair advised further work on the Scrutiny Panel would be required as he had planned for the former Area Committee members to join the Scrutiny Panel.

Recommendation 5

The Board of Management **AGREED** to holding four Finance & Audit Committee meetings per year along with four Strategic Planning meetings. Both sets of meetings would be held in the afternoon following a Board meeting. The Board of Management further **AGREED** the main financial business would be dealt with by the Board of Management.

Recommendation 6

As above, the Board of Management **AGRED** to hold four Strategic Planning meetings following Board meetings.

Recommendation 7

The Chair advised that all policies were in place and required to be reviewed every three years. He stated that by holding one Policy Review day, all policies could be reviewed at that time. Stafford Day advised that six policies had been dealt with at the May Policy Committee meeting and suggested that one day per year would not be sufficient. He stated there was a value in quarterly Policy Committee meetings but also scope to streamline the meetings.

The Chief Executive stated that some policies required to be reviewed because of changes in statute. He advised that those changes were a legal requirement.

Cameron Grant advised that certain meetings were inundated while other meetings were sparse, or had to be cancelled.

The Vice Chair stated he would wish to adopt an annual policy review day but further stated that if an urgent Policy Committee meeting was required, arrangements would be made.

Stafford Day suggested reducing the number of meetings to two or three.

The Director of Human Resources & Corporate Services advised that with reference to the statute policy changes, the policies could be emailed round Policy Committee members to keep them updated and provide comfort. Stafford Day agreed that would be of assistance.

The Board of Management **AGREED** to replace quarterly Policy Committee meetings with an Annual Policy Review day with the caveat that policies changed by statute are circulated by email to the members of the Policy Committee.

Recommendation 8

The Board of Management **AGREED** the Remuneration Ad-Hoc Committee would continue to meeting as and when required.

Recommendation 9

The Board of Management **AGREED** evening meetings would be trialled where possible. However Board members raised concerns over evening meetings being held during the winter months.

The Director of Human Resources & Corporate Services

	<p>advised that any rule change required permission from OSCR, ACHA's members, SHR and FCA which would be a lengthy process.</p> <p>The Vice Chair left the meeting.</p>	
7.2	<p>SFHA & EVH Code of Conduct for Staff</p> <p>The Director of Human Resources & Corporate Services clarified the Board had approved ACHA's Code of Conduct at their meeting in January 2014. She advised the Model Code of Conduct written by the SFHA and EVH was produced as a template for Housing Associations. The Board were advised it was for each Association to decide whether they utilised the Model or whether they developed their own Code of Conduct.</p> <p>The Chief Executive stated that in relation to both documents; the Code of Conduct for Staff and Governing Body Members, if they had received approval from the SHR, then there appeared to be a contradiction on page 14: <i>If you purchase goods or services from one of our approved contractors or Framework Agreement partners</i>. As that had been one of the concerns raised by Joyce Stewart with reference to ACHA's policies.</p> <p>The Chair asked the Director of Human Resources & Corporate Services to produce a report for the next Board meeting highlighting the differences between the SFHA Codes of Conduct and ACHA's Code of Conduct.</p> <p>The Chair stated that a response would continue to be awaited from Joyce Stewart before further correspondence would be sent.</p>	CB
7.3	<p>SFHA Code of Conduct for Governing Body Members</p> <p>As per discussion of item 7.2.</p>	CB
8.	<p>Finance and Audit Committee Recruitment</p> <p>The Board of Management AGREED Danny Kelly and Colin Davidson be appointed to the Finance & Audit Committee.</p>	
9.	<p>ACHA and AHFA Financial Statements 2013/14</p> <p>The Director of Finance & IT introduced Richard Gibson from Haines Watts.</p> <p>ACHA Group Financial Statements for the Period 2013-14 including the Audit Management Letter with Management</p>	

Responses and Letter of Representation

Richard Gibson advised Haines Watts had been responsible for the audit and stated he did not propose to talk the Board through the report in detail but was happy to answer any questions.

He advised there were five documents being presented:

- Audit Findings Report for ACHA
- Audit Findings Report for AHFA
- ACHA and Subsidiaries Finance Statements
- AHFA Finance Statements
- ACHA Letter of Representation

Richard Gibson talked the Board through the key risks contained within the ACHA Audit Findings Report:

- Component Accounting
- Impairment of Housing Properties
- Compliance with Banking Facilities
- Carrying Valuation of new Developments
- Impact of future SORP changes
- Impact of Welfare Reform
- Impact of new Subsidiary

He advised that substantive testing had been carried out on the balance sheet which had produced a satisfactory outcome. The Board were advised there were no concerns relating to section 3, Summary of Adjusted and Unadjusted Misstatements.

Richard Gibson highlighted the contents of the audit observations:

- Non-componentised costs
- Rechargeable Repair Income

The Board were advised Haines Watts had been very happy with the audit process and no concerns had been raised. Credit was given to the Director of Finance & IT and his team.

AHFA Finance Statements for the Period 2013-14 including the Audit Management Letter with Management Responses

Richard Gibson talked the Board through the AHFA Audit Findings Report and highlighted the key risks:

- Revenue recognition
- Completeness of liabilities
- Validation of stock

	<ul style="list-style-type: none"> • Fixed assets <p>He advised there had been one adjustment; an actuarial loss moved from staff costs for a sum of £69,000.</p> <p>The Board were advised Haines Watts were happy with the AHFA audit process but stated teething problems would be experienced. Richard stated that the relationship between ACHA and AHFA was dependent upon good operating systems which were a work in progress.</p> <p>The Board of Management APPROVED the final financial statements for the ACHA Group and AHFA for 2013/14. The Board of Management NOTED and APPROVED the Audit Management Letters in respect of ACHA and AHFA. The Board of Management NOTED and APPROVED the signing of the Letter of Representation.</p>	
10.	<p>Kenmore Cottages, Bonawe SHF Loan Agreement</p> <p>The Director of Finance & IT stated the loan document was a boiler plate document which was familiar to the Board.</p> <p>He talked the Board through the document and advised the loan was over a 25 repayment period with a rate of 4.43%. The Board were advised the two units would be security against the loan. The Director of Finance & IT also advised consent would be sought from the SHR, which would be done retrospectively.</p> <p>Stafford Day advised there was a typo on page 2 of the offer letter as it mentions 12 residential units as opposed to two. The Director of Finance & IT advised that error had been rectified.</p> <p>Archie Blair asked if it was appropriate for there to be provision in the agreement for the borrowing to rectify any loan breach before default was determined. The Director of Finance & IT advised he would make enquiries.</p> <p>The Board of Management APPROVED contents of the Loan Consent.</p> <p>The Board of Management APPROVED the signing of the Loan Agreement between ACHA and Argyll and Bute Council</p> <p>The Board of Management APPROVED the request for Specific Consent from the SHR under Section 107, Part 9 of the Housing Scotland Act 2010.</p>	NP

10.1	<p>ICT Infrastructure Procurement</p> <p>The Director of Finance & IT advised the Board the provision for IT infrastructure was due for renewal in November 2015 and in order to award a contract the Association required to go through the tender process in advance of 20th November 2015.</p> <p>The Board were advised the Prior Information Notice (PIN) had been issued and Chris Shaw, Shaw Consulting had been assisting as he had a wealth of knowledge in relation to requirements and tenders.</p> <p>The Director of Finance & IT advised that all departments had been consulted on the IT service by way of survey.</p> <p>Colin Davidson asked what the cost of Shaw Consulting services would be. The Director of Finance & IT advised the cost would be £14,000 plus VAT. He further advised Shaw Consulting had been awarded the contract on best value.</p> <p>The Director of Finance & IT confirmed Chris Shaw did have back up.</p> <p>The Board of Management were advised the Project Initiation Document (PID) had also been circulated for information.</p> <p>The Board of Management APPROVED the project scope and timescales and NOTED the involvement of all departments as and when required.</p>	
10.2	<p>ICT Projects</p> <p>The Chair commented that he had difficulty in reading the writing on a coloured background and requested that any future spreadsheet only highlights the first column in colour.</p> <p>The Director of Finance & IT advised the SMT had revisited some of the IT priorities and talked the Board through the spreadsheet of priorities.</p> <p>The Board were advised the IT Department had three IT resources and one desk top management resource.</p> <p>The Director of Finance & IT stated it was his belief that the current resources could accommodate project delivery for the current year but added additional resources would be required (two staff members and a half post consultancy resource) for</p>	

	<p>future years to accommodate those projects.</p> <p>The Board of Management NOTED the contents of the report.</p>	
11.	<p>AGM Update</p> <p>The Director of Human Resources & Corporate Services highlighted the timescales set out for the AGM and advised that agreement was required on which tenant members would stand down/for re-election. The four longest serving tenant members agreed to draw lots to determine which two would stand down/re-election.</p> <p>The Board of Management NOTED that Archie Blair and Stafford Day would be required to stand down/re-election from the Independent constituency.</p> <p>The Board of Management further NOTED that Danny Kelly would be required to stand down/re-election as he was filling a Casual Vacancy.</p> <p>Following the meeting, lots were drawn and it was NOTED that Mike Brown and Douglas Prophet would stand down/for re-election.</p>	
12.	<p>Naming of New Build Development at Hood Court, Helensburgh</p> <p>The Director of Housing & Neighbourhood Services advised the Helensburgh & Lomond Area Committee had invited the six local primary schools to propose a name for the new development. Out of the six schools asked, three returned suggestions.</p> <p>As a result, the suggestion being put forward for Board consideration is “Duchess Court”</p> <p>The Board of Management APPROVED the name for submission to Argyll and Bute Council.</p>	CJ
13.	<p>Monthly Investment Programme Update</p> <p>The Director of Investment & Regeneration advised the bulk of the contracts in place were in their final year. She stated that all contracts were progressing reasonably well.</p> <p>The Board of Management were advised that a new Roof & Roughcast project in Cowal and Bute had been awarded to</p>	

	<p>Stewart McNee for over 200 elements at a value of approximately £2million.</p> <p>M & K MacLeod were awarded a contract on Islay for over 180 elements at a value of £2.3million for mostly roughcast work and 40 properties in Dunbeg.</p> <p>Argyll and Bute Council signed up to enforce notices on two blocks within Maitland Court which would allow works to progress. Further consultation will take place on the remaining block.</p> <p>CARS project, Inveraray – re-engagement with owners taken place on how to commit to consultant and building works.</p> <p>Relief Land, Inveraray – meeting scheduled to be held next week to agree a short brief and tender to allow a consultant to be chosen.</p> <p>The Chair requested that exemptions and abeyances be included within the Monthly Investment Programme report.</p> <p>The Board of Management NOTED the contents of the report.</p>	LH
13.1	<p>Land Disposal Request – Laoigan Place, Keills, Islay</p> <p>The Director of Investment & Regeneration stated the land disposal request had been considered by the Area Committee and was approval subject to the Board of Management’s approval.</p> <p>The Board were advised a condition would be placed on the sale to allow footpath access for any potential development opportunity.</p> <p>The Board of Management APPROVED the land disposal at Laoigan Place, Keills, Isle of Islay.</p>	
13.2	<p>Land Disposal Request – Elizabeth Avenue, Dunoon</p> <p>The Director of Investment & Regeneration advised the Area Committee had considered the request but as the meeting had been inquorate no decision could be taken. As a result, the request has been forwarded to the Board for consideration.</p> <p>Stafford Day stated he had requested conditions to the sale and advised he would be grateful if the Investment & Regeneration</p>	

	<p>team would incorporate the conditions.</p> <p>The Director of Investment & Regeneration advised there would be protective measures included in the title to ensure the ground be kept in a safe and tidy condition and litter is removed.</p> <p>The Board of Management APPROVED the land disposal at Elizabeth Avenue, Dunoon.</p>	
14.	<p>A.O.C.B.</p> <p>The Chair asked the Directors to leave the room while a closed matter was discussed.</p> <p>The Directors returned to the meeting.</p>	
15.	<p>Date & Time of Next Meeting</p> <p>Thursday 11th September 2014, 10.30am in the Argyll Hotel, Inveraray.</p>	