



MINUTE OF BOARD OF MANAGEMENT MEETING

Wednesday 12th February 2014 at 10.30am in the Argyll Hotel, Inveraray

Present: -

Mike Brown (Chair)
Jim Milne (Vice Chair)
Norman Beaton (Secretary)
Lorraine-Anne Drysdale (Chair Finance & Audit Committee)
Archie Blair
Cameron Grant
Graham Kanes
Danny Kelly
Margaret MacGregor
Sandra MacKenzie
Councillor Donnie MacMillan
Douglas Prophet
Councillor Sandy Taylor
Councillor Richard Trail
Kate Winton

Not in Attendance

Karen Isobel Carmichael

In Attendance

Alastair MacGregor, Chief Executive
Linda Haig, Director of Investment & Regeneration
Colette Benham, Director of Human Resources & Corporate Services
Nick Pollard, Director of Finance & IT
Christine Johnston, Director of Housing & Neighbourhood Services
Gayle Stead, Governance & Compliance Manager
Lesley Lindsay, PA to Board of Management

		Action
1.	Apologies	

	Councillor Roddy McCuish, Councillor Bruce Marshall, Stafford Day The Chief Executive advised that Councillor McCuish had been required to attend Council Area Committee meeting.	
2.	<p>Minutes of Previous Meeting - 5th December 2013</p> <p>Page 13 – Item 12.2 – The Chief Executive stated the following addition should be made “The contractor worked for ACHA on a contract inherited from Argyll and Bute Council <i>in 2006/2007</i>. The contract had significant defects, poor workmanship and a negative attitude towards rectifying the problems. <i>As a result TSL were removed from the list of approved contractors.</i> Archie Blair advised in addition the following should be inserted: “completed <i>satisfactorily</i>”</p> <p>Subject to the above amendments, the Board of Management APPROVED the minute as an accurate record.</p> <p>Proposed by: Graham Kanes Seconded by: Kate Winton</p>	Lesley
2.1	<p>Minutes of Previous Meeting - 14th January 2014</p> <p>The Board of Management APPROVED the minute as an accurate record.</p> <p>Proposed by: Douglas Prophet Seconded by: Graham Kanes</p>	
3.	<p>Matters Arising</p> <p>Page 2 – the Chair advised the Board had received correspondence from the Manager of the Argyll Hotel apologising for the hearing loop having not been installed. The Board were advised that a third system had been ordered as the first two systems had been inappropriate. An amplification system is now being looked at.</p> <p>Page 2 – the Chair of the Finance & Audit Committee asked for an update in relation to the cancelled meetings with Jamie McIvor. The Chief Executive asked the Board whether they wished him to write to the BBC. The Board AGREED that course of action would be inappropriate.</p>	

	<p>Page 6 – the Chief Executive advised the Board he was trying to ascertain what surviving relatives Bill Pirnie had. Once he was in receipt of that information he would write passing on ACHA's condolences.</p> <p>Page 12 – the Chief Executive advised that a separate room would be available for hire within the new Bute office.</p> <p>Page 11 – the Director of Human Resources & Corporate Services advised the Scottish Housing Regulator had requested a copy of the approved Code of Conduct and Payments & Benefits policies. She confirmed copies had been sent.</p> <p>Page 4 – Archie Blair asked for an update in relation to the interface problems with the ACHA/AHFA software. The Chief Executive advised he would provide an update during his presentation.</p> <p>Page 4 – the Director of Housing & Neighbourhood Services advised the Board the problem in relation to outstanding balances on pre payment gas/electricity meters extended further than SSE. She further advised the issue was not the sole cause of the higher void figures. The Board were provided with the details of the issues caused by arrears on pre-payment meters.</p>	
4.	<p>Minutes of Finance & Audit Committee for Ratification –14th November 2013</p> <p>The Board of Management RATIFIED the minute from the Finance & Audit Committee meeting.</p>	
5.	<p>Conflict of Interest to Declare</p> <p>Staff recorded a conflict of interest in relation to Item 8 – Pay Proposal 2014.</p>	
6.	<p>Correspondence</p> <p>EVH Membership Renewal</p> <p>The Chief Executive outlined the remit of Employers in Voluntary Housing and confirmed the Senior Management Team were of the view membership of the organisation was value for money. The Director of Human Resources & Corporate Services confirmed the savings made through having access to Employee Counselling and Health & Safety advice covered the membership cost.</p>	

	<p>The Board of Management APPROVED membership renewal of EVH at a cost of £4459.</p> <p>The Chief Executive, Directors of Finance & IT, Housing & Neighbourhood Services, Investment & Regeneration and the Governance & Compliance Manager left the meeting.</p> <p>Notifiable Event – Outcome Letter from SHR The Board of Management NOTED the contents of the outcome letter received from the Scottish Housing Regulator and discussions under closed business took place.</p> <p>The Chief Executive, Directors of Finance & IT, Housing & Neighbourhood Services, Investment & Regeneration and the Governance & Compliance Manager returned to the meeting.</p>	
7.	<p>Chief Executive’s Presentation The Chief Executive gave a presentation covering:</p> <ul style="list-style-type: none"> • SHQS Investment Programme • Our ongoing new build programme • Welfare Reform and the Bedroom Tax • Argyll Homes for All • 2014/15 Budget Round • Other Issues • Housing Scotland Bill <p>All members in attendance were provided with a copy of the presentation.</p> <p>Margaret MacGregor asked whether the Association could invest in the void properties on Bute to reduce void costs. The Chief Executive advised that many void properties on Bute had received considerable investment but agreed there were still properties requiring investment and those properties would continue through the investment programme. The Board were advised there were a high number of affordable properties for rent on the island and as a result of oversupply there was a demand issue for some properties. Archie Blair stated where there was a high over supply; normal markets reduced rents or offered other incentives to let the void properties. The Board asked if that would be a possibility. The Chief Executive stated a number of options were currently being</p>	

	<p>considered and a further report would be presented to the Board in the future for consideration.</p> <p>Graham Kanes stated the Universal Credit was a total disgrace and he hoped it would be removed because it affected so many people.</p> <p>Councillor Taylor advised Argyll & Bute Council would be considering a report on Thursday 13th February 2014 worth half a million pounds to support tenants affected by the Bedroom Tax. He highlighted some of the initiatives involved; transfer grants, money advice etc. The Chief Executive confirmed that Councillor Currie, the Housing Convener, had sought his opinion on increasing transfer grants from £500 to £1000, which he had agreed was welcome as long as the total pot could cover it. Councillor Taylor asked whether the Board would welcome a report outlining the totality of the package. The Chief Executive advised he had monthly meetings with Cleland Sneddon and six monthly meetings with Sally Loudon and advised that officers were aware of the Council's package. The Board were advised the Council and ACHA were working very well in relation to supporting tenants affected by the Bedroom Tax.</p>	
8.	<p>Pay Proposal 2014 The Chief Executive, Directors of Housing & Neighbourhood Services, Investment & Regeneration and Governance & Compliance Manager left the meeting.</p> <p>The Directors of Finance & IT and Human Resources & Corporate Services remained at the meeting to answer questions.</p> <p>The Board of Management discussed the pay proposal under closed business.</p> <p>The Directors of Finance & IT and Human Resources & Corporate Services left the meeting.</p> <p>As a majority vote, the Board of Management APPROVED A £300 +1% pay award to all staff.</p> <p>The Board of Management APPROVED recommendation four within the report.</p>	

	<p>The Chair advised that the Finance & Audit Committee had agreed to meet six monthly with the Trades Unions.</p> <p>The Chief Executive, Directors of Human Resources & Corporate Services, Finance & IT, Investment & Regeneration, Housing & Neighbourhood Services and the Governance & Compliance Manager returned to the meeting.</p>	
9.	<p>Rent Increase Proposals 2014/15</p> <p>The Director of Finance & IT talked the Board through his report and asked for consideration on:</p> <ol style="list-style-type: none"> <i>1. Agree an RPI +1.75% rent increase to all property rentals, houses, sheltered houses, garages, garage sites, travelling people sites, commercial properties, allotments, community benefit properties, mid-market rent properties and any service charges, except sheltered housing services charges.</i> <i>2. Agree that the sheltered housing service charges will only change according to the analysis of costs incurred at each complex based on the prior year known costs.</i> <p>RPI +1.75% equates to a rent increase of 4.45%. A consultation with tenants resulted in a response rate of approximately 1.6%, all comments were provided within the appendix to the report.</p> <p>The Director of Finance & IT advised a rent increase of RPI +1.75% was required as a result of the RPI only increase in 2009/10. He further advised 2014/15 would be the last “catch up” year.</p> <p>Following a consultation of local Housing Associations, the average rent increase agreed by their Boards was 3.4%, broadly similar if ACHA’s rent increase remained at RPI+1%. The average rent increase across LSVT (Large Scale Voluntary Transfer) organisations was 4.3%.</p> <p>The Director of Finance & IT advised he had attended the SFHA finance forum where round the table discussions had taken place in relation to rent increases. He advised the average rent increase was anticipated to be around 3.4%. He further advised the Scottish Housing Regulator, who were in attendance, had indicated no Association had proposed a rent increase outwith their expectation.</p>	

	<p>The Board were advised that the ACHA starting rent was midpoint in comparison to peers and matched the Scottish average. The Director of Finance and IT asked the Board to be mindful that any rent increase of less than the proposal would affect the business plan over its 30 year life span.</p> <p>Norman Beaton stated that Highland Council had raised their rents by only 2%. The Chief Executive advised he would be happy to contact Highland Council to ascertain the logic of their rent increase.</p> <p>Norman Beaton put forward a new proposal of an increase of RPI+1.5%. The proposal was seconded by Margaret MacGregor.</p> <p>The Board were asked to vote on each proposal:</p> <p>Proposal put forward by the Director of Finance & IT (as outlined above) - received 11 votes</p> <p>Proposal put forward by Norman Beaton of RPI+1.5% - received 3 votes</p> <p>As a result, the proposal put forward within the report from the Director of Finance & IT (outlined above) was APPROVED by the Board of Management.</p>	Alastair
9.1	<p>Argyll & Bute Council Loan Offer</p> <p>The Director of Finance & IT talked the Board through his report, covering security requirements in detail. He further advised that the loan was based on PWLB (Public Works Loan Board) rates, which the Association would be unlikely to obtain within the commercial market. The Board were advised the loan was an annuity style loan and security had been restricted to allow further security for future projects.</p> <p>The Director of Finance & IT advised the proposal was compliant with the Association's Rules but adjustment to the Treasury Management Rules would be required. The Board were advised an application had been made to the Scottish Housing Regulator, which had been approved in principle. The Association's lenders, Lloyds also granted permission.</p> <p>The Board were advised if approval was given, the Chair would be</p>	

	<p>required to sign the documentation on behalf of the Board of Management. If approval is not given then ACHA would require to open talks with Lloyds to obtain alternative funding, which in turn may sacrifice future developments.</p> <p>The Board of Management APPROVED</p> <ol style="list-style-type: none"> 1. To formally accept the contents of the report 2. Signing of the loan agreement between ACHA and Argyll and Bute Council 3. The request for Specific Consent from the Scottish Housing Regulator under Section 107, Part 9 of the Housing Scotland Act 2010 <p>The Board of Management further APPROVED delegated authority to the Chief Executive to liaise with Argyll and Bute Council to agree a suitable press release.</p>	
10.	<p>Risk Register Quarterly Review</p> <p>The Chair of the Finance & Audit Committee asked for clarification on the number of risks within the AHFA Risk Matrix as the graph did not reflect the information contained within the report. The Director of Human Resources & Corporate Services apologised for the error and confirmed the information within the report was correct. She advised the Board she would amend the graphical information.</p> <p>The Board of Management NOTED the contents of the Risk Registers.</p>	Colette
10.1	<p>Self Assessment Progress Report</p> <p>The Director of Human Resources & Corporate Services advised the report was a quarterly update on progress. She further advised there were no areas of concern.</p> <p>The Chair stated the text in the report was fairly small. The Director of Human Resources & Corporate Services advised the electronic version was easier to read.</p> <p>The Board of Management NOTED the contents of the Self Assessment Progress Report.</p>	
11.	Monthly Investment Programme Update	

The Director of Investment & Regeneration talked the Board through her report and advised there was an appendix to the report covering the Roof and Roughcast Programme in greater detail.

The Board were asked to consider recommendations A – G within the appendix:

- a. All contracts that have been awarded – all properties released now
- b. High profile owner related projects proceed
- c. Any properties where HEEPS ABS has been allocated to owners are fast forwarded, if possible
- d. All property with a current SHQS fail related to Roof or Roughcast condition proceed. This will include related property in same blocks. After owner consultation, there will be properties held in abeyance, subject to owner consent
- e. Continue to review ECO grant availability but no properties in categories 1-4 to be held pending ECO decision. ECO cannot be paid retrospectively
- f. Any balance in budget to be targeted at current tender packages based on current area office priorities
- g. A contingency of up to £1m be held in budget to fund ACHA share where willing owners are identified or where there are urgent cases identified

Councillor Trial asked for an update in relation to Maitland Court, Helensburgh. The Director of Investment & Regeneration advised there were three blocks, one block had been deemed to be in very poor condition; Argyll and Bute Council have issued and will enforce a notice, a second block had been deemed to be in poor condition; Argyll and Bute Council will issued a notice but will not enforce it at the current time and the third block is not in poor condition and has a high number of owner refusals within the block which would have a large budgetary impact for the Council if they were to enforce a notice.

The Chair asked for clarification on the acronym BRE. The Director of Investment & Regeneration apologised and advised it stood for Building Research Establishment.

The Board of Management **NOTED** the progress of the Investment Programme and **APPROVED** the recommendations contained within the appendix as outlined above.

11.1	<p>Mill Park, Southend</p> <p>The Director of Investment & Regeneration talked the Board through her report and advised there were significant structural problems at properties 7 – 10 Millpark, Southend. Three of the four properties are void and the fourth has been occupied by the current tenant since the 1960s.</p> <p>Following an options appraisal exercise, the Board were asked to consider the demolition of the four properties as opposed to spending a significant amount of money on four properties which lie in a low demand area.</p> <p>The Board were advised there were no legal hurdles in the way of demolition but the Association would seek voluntary approvals from its stakeholders. The Board were advised that if approval was given, engagement with stakeholders would commence.</p> <p>Sandra MacKenzie asked whether the remaining tenant would be rehoused. The Director of Housing & Neighbourhood Services stated that by coincidence the remaining tenant had recently received an offer of alternative housing.</p> <p>Councillor MacMillan stated it would be a wise decision to demolish the four properties.</p> <p>The Director of Finance & IT confirmed the demolition would not affect the Association's security valuation.</p> <p>The Board of Management APPROVED commencement of the demolition process of numbers 7-10 Millpark, Southend.</p>	
11.2	<p>Land Disposal – Crossapol, Tiree</p> <p>The Director of Investment & Regeneration stated that land disposal requests would normally be considered by Area Committees in the first instance prior to being considered by the Board of Management. The Board were advised that in the case of Crossapol that procedure had not been adhered to because of timelines in relation to Scottish Water's programme.</p> <p>The Board were advised a request had been received from Scottish Water to acquire a small piece of land at Crossapol, Tiree for the</p>	

	<p>purpose of the construction and future maintenance of a septic tank. The Board were advised the new septic tank would benefit ACHA's tenants.</p> <p>The Director of Investment & Regeneration advised there was no development opportunity for the piece of ground.</p> <p>Graham Kanes, Chair of the Oban, Lorn & Isles Area Committee agreed to report the discussion and agreement reached back to the Area Committee.</p> <p>The Board of Management APPROVED the disposal request for an area of land at Crossapol, Tiree, as outlined in the photos.</p>	Graham
11.3	<p>Garage Site Strategy</p> <p>The Director of Investment & Regeneration talked the Board through her report and advised the exercise was an administrative tidy up and would also be used to determine any land usage for the future. Councillor Trail thanked the Director of Investment & Regeneration for a comprehensive report.</p> <p>The Board of Management APPROVED the Garage Site Strategy.</p>	
13.	<p>A.O.C.B.</p> <p>Schedule 7 Decision Under Urgency for Ratification</p> <p>The Director of Housing & Neighbourhood Services advised the Schedule 7 had been approved by the Chair and the Chief Executive as a decision under urgency. The Board were advised a three bedroom, single storey fully adapted, wheelchair accessible property had become available for letting in Tarbert. She advised it was important the property was allocated to an applicant specifically requiring wheelchair accommodation. The allocation was made to a gentleman suffering from ataxia. Whilst he was second on the waiting list for a two bedroom property it was clear he would make best use of the property and it would assist him in rebuilding his relationship with his son. The applicant in first place required a bath not a shower.</p> <p>Shortlisting for the property identified two applicants who required three bedroom properties; the first did not require adapted accommodation and the second had recently been rehoused by another social landlord.</p> <p>The applicant who qualified for the offer is the brother of an</p>	

	<p>employee of ACHA. The Director of Housing & Neighbourhood Services confirmed the staff member played no part in the assessment of the application and had not been involved in the offer process. The application was held and processed by Fyne Homes. The Board of Management RATIFIED the Schedule 7 Decision Under Urgency.</p> <p>Schedule 7 Decision Under Urgency for Ratification The Director of Housing & Neighbourhood Services advised the Schedule 7 had been approved by the Chair and the Chief Executive as a decision under urgency. The Board were advised a one bedroom first floor flat had become available for letting in Campbeltown. To comply with the quota system operated by HOME Argyll the property was being offered to the transfer list. The applicant qualifying for the offer is the brother of an ACHA employee in Campbeltown. The Director of Housing & Neighbourhood Services confirmed the staff member played no part in the assessment of the application and had not been involved in the offer process. The Board were further advised the application form had been retained and pointed by Fyne Homes. The Board of Management RATIFIED the Schedule 7 Decision Under Urgency.</p> <p>The Chief Executive advised the Board of the sad news that ex Councillor Robin Banks, who had been Depute Leader of Argyll and Bute Council, had passed away. It was noted that ex Councillor Banks had been very supportive of the Housing Stock Transfer proposal while Depute Leader of the Council. The Association was represented at his funeral.</p> <p>The Board of Management discussed and AGREED to hold the special meeting in advance of the March Board meeting.</p>	
10.	<p>Date & Time of Next Meeting Thursday 13th March 2014 at 10.00am in the Argyll Hotel, Inveraray (special meeting) Thursday 13th March 2014 at 10.30am in the Argyll Hotel, Inveraray</p>	