

ARGYLL COMMUNITY HOUSING ASSOCIATION BOARD OF MANAGEMENT MEETING

Thursday 12th June 2014 at 10.30am, Argyll Hotel, Inveraray

Minute

Present:

Michael Brown (Chair)
Jim Milne (Vice chair)
Cllr Roddy McCuish (Secretary)
Lorraine Anne Drysdale (Finance and Audit Chair)
Stafford Day
Cameron Grant
Danny Kelly
Margaret MacGregor
Sandra MacKenzie
Councillor Donnie MacMillan
Douglas Prophet
Councillor Sandy Taylor
Councillor Richard Trail
Kate Winton

Not in Attendance

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
Lesley Lindsay, PA to Board of Management

The Chair advised the running order of the meeting would alter to allow Item 13, Business Plan, Security Valuation and DTP to be brought forward to follow Item 9, The Chief Executive's presentation.
The Chair stated that the Director of Finance & IT would cover for the Director of Investment & Regeneration.

1.	Apologies Graham Kanes, Archie Blair, Councillor Bruce Marshall	
2.	Minutes of Previous Meeting – 8th May 2014 Page 3 – Item 6 – typo – equalities Page 3 – Item 6 – remove the word 'the' between 'using' and	

	<p>'contractor'</p> <p>Page 11 – Item 8 – insert the word 'to' before 'be gathered'</p> <p>Subject to the above amendments, the Board of Management APPROVED the minute as an accurate record.</p> <p>Proposed by Douglas Prophet Seconded by Lorraine-Anne Drysdale</p>	
3.	<p>Matters Arising</p> <p>Page 2 – Item 3 – Matters Arising – the Chair advised two self-assessment questionnaires remained outstanding. He stated that hard copies would be made available to assist with completion.</p> <p>Page 14/15 – Item 10 – Void Rent Loss – the Director of Housing & Neighbourhood Services advised she had contacted Argyll & Bute Council in relation to the suggestion that Council Tax exemption be awarded to low demand properties as an incentive. She confirmed Council Officer, Judy Orr, had stated it would not be possible as there was no criteria for exemption for tenanted properties.</p> <p>Page 4 – Item 6 – Verbal Update from Joyce Stewart, SHR – the Chief Executive stated the minute indicated that Joyce Stewart advised she had not received the approved Payments & Benefits or Code of Conduct Policies following their approval by the Board in January 2014. He commented that the Association were not in the habit of sending every Association document to the SHR but advised it did so when requested. The Director of Human Resources & Corporate Services confirmed she had sent both approved policies following a request from Joyce Stewart.</p> <p>Page 5 - The Chief Executive disagreed with the comment made by Joyce Stewart that the Board were not provided with details of the concerns raised by the Regulator at the meeting held in October. The Chief Executive advised the Governance & Compliance Manager had provided the Board with a summary highlighting the Regulator's concerns in advance of the January 2014 Board meeting.</p>	
4.	<p>Minutes of Finance & Audit Committee for Ratification – 10th April 2014</p> <p>The Board of Management RATIFIED the minute.</p>	

	<p>sign off of the ARC and advised the Board that the Association had undertaken an independent satisfaction survey but had inserted additional satisfaction figures. He queried why the Association had paid for an independent satisfaction survey to be carried out but did not accept the information collated from that survey. The Director of Housing & Neighbourhood Services stated that the Tenants Satisfaction Survey did not cover all the information required for the ARC. She stated that a small survey of 400 tenants had taken place and as a result the Association were aware that a high number of 16-34 year olds felt the Association did not engage with that particular group. It also concluded that satisfaction levels within that age group were lower.</p> <p>The Director of Housing & Neighbourhood Services further advised that the Housing & Neighbourhood Services Department had always collated information in relation to new tenants' satisfaction levels. The figures obtained by the Association's survey had higher satisfaction levels than the figures collected by the independent survey. In addition to higher satisfaction levels, the information collected directly by the Association contained more detailed information and could be validated, whereas there was no way to validate the information received via the independent survey. She advised that a further validation process had been undertaken by SBVN, who had spent three days checking the facts and figures contained within the ARC submission. SBVN had advised the Association to use the information that could be validated.</p> <p>The Board were advised that the information collected through the independent satisfaction survey would be used to improve services. The Director of Housing & Neighbourhood Services advised she would bring a report to the Board in due course outlining the results of the survey along with an action plan.</p> <p>The Director of Human Resources & Corporate Services advised the SBVN had a tool available to compare ARC returns but suggested waiting to report to the Board until the SHR had released the confirmed results in August. The Board of Management APPROVED that course of action.</p>	Christine
9.	<p>Chief Executive's Presentation</p> <p>The Chief Executive gave a presentation covering:</p> <ul style="list-style-type: none"> • Key Updates • Ongoing Issues • Wider Issues 	

	<ul style="list-style-type: none"> Welfare Reform and the Bedroom Tax <p>All members in attendance were provided with a copy of the presentation.</p> <p>The Chief Executive thanked everyone who had worked on the ARC submission.</p> <p>The Vice Chair stated that the Deputy First Minister had stated at the SFHA Conference that anyone who had applied for DHP in Scotland should receive payment. The Chief Executive queried whether she had mentioned hardship. The Vice Chair advised the Deputy First Minister had not expanded on that statement.</p> <p>The Secretary asked whether AliEnergy had been invited to attend the energy summit being organised for RSLs. The Chief Executive stated there had been no reference to AliEnergy on the invitation email. He confirmed he would seek clarification from Graeme Bruce, West Highland Housing Association. The Chief Executive stated it was clear some work had already been done and the Association had been asked to sign a confidentiality statement. The Secretary stated it would be sensible to include AliEnergy as they had already undertaken a huge amount of similar work. The Chief Executive advised that ACHA would accept the invitation to attend the presentation as it may be of benefit to the Association and its tenants. The Director of Finance & IT stated that combining RSLs may generate benefits that could reduce costs for tenants. He advised he would be happy to attend the event being held on the 5th August 2014 in Edinburgh.</p>	<p>Alastair</p> <p>Nick</p>
10.	<p>Business Plan, Security Valuation and DTP</p> <p>The Director of Finance & IT stated the three documents supported each other:</p> <p>Business Plan - BRIXX analysis</p> <p>Security Valuation – which underpins the Business Plan</p> <p>David Tolson report – outlines future</p> <p>The Director of Finance & IT talked the Board through the Business Plan 2014-2015 report, outlining the structure and requirement of the Business Plan as it allows the Association to ensure loans would be repaid on time. He advised that the subsequent version next year would contain EESH information.</p> <p>The Board were advised the revised Business Plan did not</p>	

	<p>contain the consequences of the “just a landlord” review or any cost change as a result. The Director of Finance & IT advised that the current Business Plan had been approved by the bank and that should the revised Business Plan not be approved by Lloyds, then the Association would revert to the current Business Plan.</p> <p>The Board were advised that the revised peak debt would be £51million with the peak debt year being 2021/22, which significantly reduced the peak debt but also was a significant shift outward in both peak debt and repayment of the borrowing with substantial variation to the net operating cash flow covenants, which require Lloyds Banking Group approval. If the bank does not agree the revised Business Plan can be funded by them, the Association may have to accept a re-financing risk between the periods 2028-29 (the original repayment date) and 2034-35 (the new repayment date), which it has never had to consider. The Director of Finance & IT commented however that since the credit crunch it was uncommon for lending by banks to extend to terms beyond 10 to 15 years. The Director of Finance & IT advised that sensitivities had been carried out and the information was contained in the charts within the report (appendix 12). In addition economic analysis sensitivities were carried out and modelled against the Net Operating Cash Flow covenant (appendix 14).</p> <p>The Director of Finance & IT stated the Security Valuation was for the benefit of the Association’s lenders and was paid for by ACHA as part of the loan agreement. The Board were advised the report outlined the analysis of the Association’s loan security valuation position as determined by an independent valuer on behalf of LBG.</p> <p>The value of the stock is calculated based on tenanted properties over a 50 year period and the outcome is used by the bank to ensure there is sufficient security to repay the loan.</p> <p>ACHA’s lenders require asset cover to be 105% of the borrowing incurred. The current borrowing is £36.9million with a projection for the year 2014-15 being £61million on the existing Business Plan and £42.1million in the revised Plan. The current borrowing therefor requires security asset cover of £38.75million and for the 2014-15 requires £64.05million on the old plan or £44.21million on the new plan. The valuation suggests £76.844 million which does not include around</p>	
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	<p>£2million of new build stock which is uncharged. Therefore asset cover is met. The Board were advised the information had been passed to the SHR with the caveat that funder approval was still required. The Director of Finance & IT advised that if Board approval is given, the revised Business Plan and associated documents would be submitted to LBG for consideration.</p> <p>The Director of Finance & IT talked the Board through the David Tolson Partnership report and highlighted 2.5 in the report stating that a Business Plan (incorporating cash flow forecast) must be submitted annually for approval to the Association's lenders. The Director of Finance & IT stated that a recommendation was being put forward to negotiate with LBG on a revised loan package. He stated that Clive Eccleston, from DTP was in regular contact with LBG and would in our opinion be invaluable going through the process with LBG.</p> <p>The Vice Chair questioned whether the Association would be limited to 40 new build properties per year. The Director of Finance & IT advised the Association would not be limited to 40 per year.</p> <p>The Vice Chair stated that the Board would have found an executive summary on the valuation report more beneficial than the full document.</p> <p>The Vice Chair suggested Lloyds Banking Group attend a Board meeting. The Director of Finance & IT advised he had arranged a meeting with LBG in Glasgow in August but it was unlikely that LBG would attend a full Board meeting unless there were significant issues of concern</p> <p>The Board of Management: APPROVED the revised Business Plan NOTED the contents of the Jones Lang LaSalle security valuation report and its content NOTED the content of the DTP Funding Capacity and Options Report APPROVED engagement with LBG on securing relaxation of some aspects of the loan agreement and further development funding APPROVED DTP to assist with engagement with LBG</p>	
11.	Payments & Benefits for Governing Body Members and	

Staff

The Chief Executive stated the letter from Joyce Stewart had not been received prior to the meeting of the Policy Committee. He advised that the Policy Committee had considered the issues raised by Joyce Stewart at the Board meeting on 8th May 2014 and had obtained legal advice from BTO.

Stafford Day, Chair of the Policy Committee talked the Board through the recommendations proposed by the Policy Committee following consideration:

1. Agree that purchase of property and assets would only be in exceptional circumstances where it would be of strategic detriment not to purchase or if a property was in a housing action area or development area where the Association was involved in a housing strategy. This would be subject to the District Valuer's valuation and Board approval of each case.
2. Agree not to change the Payment and Benefits Policy in relation to purchase of goods and services from contractors and suppliers by Governing Body, Staff Members or connected persons.
3. Agree to £40 as a ceiling on value in relation to retirement gifts and for the Payments and Benefits Register to be brought to the Board annually.
4. If the Scottish Housing Regulator's written opinion is received a view to be taken on that.

Recommendation 1 above would be inserted into the Payments and Benefits Policy. Stafford Day confirmed it was consistent with the request from Joyce Stewart.

Recommendation 2 relates to 14.1 within the Payments and Benefits Policy. Stafford Day advised the Policy Committee agreed it would be impractical to implement the recommendations put forward by Joyce Stewart. However the Policy Committee had taken account of her recommendation and agreed to insert "The Policy is not intended for bid, purchase of materials/goods at list prices or discounts available to the general public" for clarification purposes.

Recommendation 3 would be inserted at 12.6

Recommendation 4 letter received and responded to by the Chair.

Stafford Day noted there were several typos contained within

	<p>the Policy and requested permission to amend. The Board granted permission to amend the typos with the caveat that no material changes were made to the Policy.</p> <p>The Board of Management APPROVED all recommendations contained within the report.</p> <p>Councillor Sandy Taylor stated that in relation to a future review of the Policy, the Board may wish to consider being more specific in relation to “de-minimus”</p> <p>It was AGREED the Chair would write back to Joyce Stewart enclosing a copy of the final amended version of the Payments and Benefits Policy.</p>	Mike
12.	<p>Key Performance Indicators including Directorate Exception Report</p> <p>Housing & Neighbourhood Services</p> <p>The Director of Housing & Neighbourhood Services stated her year end exception report was one month behind as a result of interface problems between the AHFA system, Total and ACHA’s housing management software, Academy.</p> <p>She talked the Board through her report highlighting , arrears, non-low demand voids, low demand voids, repairs targets, repairs satisfaction, number of relets, number of properties abandoned and neighbour complaints. The Director of Housing & Neighbourhood Services stated that in the first year of AHFA, repairs and satisfaction levels were good.</p> <p>Margaret MacGregor asked whether works would be carried out to rectify the damp problems in properties at Longhill Terrace. The Director of Housing & Neighbourhood Services advised they had been included within the investment programme.</p> <p>The Chair asked why the target for post inspections had not been met. The Director of Housing & Neighbourhood Services advised there had been a period of three to four months where inspections could not be carried out due to the interface problems. Since resolving the issue, staff had been carrying out around 30% post inspection visits in an attempt to catch up.</p>	
13.	<p>Board of Management Training Schedule 2014/15 & 2015/16</p> <p>The Director of Human Resources & Corporate Services stated</p>	

	<p>the requested courses were as accurate as possible based on the submitted questionnaires. She acknowledged there were two questionnaires outstanding but advised the programme needed to be drawn up.</p> <p>The Vice Chair stated he did not want the Risk Management training session incorporated into the Strategic Planning as he felt there was enough business within the two day event.</p> <p>The Chief Executive advised there was scope to extend the session in relation to housing management issues.</p> <p>The Chair requested that a formal buddy system be implemented following the AGM.</p> <p>The Board of Management APPROVED sessions one to ten in the report and further APPROVED consideration be given to whether training on the Microsoft Office Suite would be beneficial, subject to the outcome of the IT review.</p> <p>The Director of Human Resources & Corporate Services asked whether all Board members were receiving invites to the BDA Webinars. Douglas Prophet and the Chair stated the Webinars were not easy to access and asked for a user guide on how to access the Webinars to be provided.</p> <p>The Chair stated that when revisiting the Webinar to hear the session at a later date, the presentations were not available. The Vice Chair added he has raised the matter with the BDA previously, who advised the presentations would be made available in due course but had not become available. The Director of Human Resources & Corporate Services advised she would raise the matter with the BDA.</p> <p>The Secretary stated it was helpful the invites arrived via his electronic calendar but further stated there was not much notice given.</p> <p>The Director of Human Resources & Corporate Services advised there was a programme of all Webinars which she would re-circulate to Board members. It was further AGREED HRCS would issue calendar appointments for the Webinars.</p>	<p>Colette</p> <p>Colette</p> <p>Colette</p>
14.	<p>Monthly Investment Programme Update</p> <p>The Director of Finance & IT talked the Board through the Investment Programme report highlighting progress on</p>	

	<p>Windows and Doors, Kitchens and Bathrooms, Heating and Rewire and Roof and Roughcast programmes.</p> <p>He advised it was anticipated there would be a low spend in April due to the high spend/works carried out in March, prior to the end of the financial year.</p> <p>The Board were advised the works in Soroba, Oban were on site.</p> <p>Regent and Salisbury Terrace refurbishments have been completed to a good standard.</p> <p>The Board of Management NOTED the contents of the report.</p>	
14.1	<p>Approved List of Building Contractors & Consultants</p> <p>The Board of Management APPROVED the updated Approved List of Building Consultants and Contractors and NOTED that inclusion on the list would not guarantee work.</p>	
15.	<p>A.O.C.B.</p> <p>Cameron Grant asked whether the Governing Body Manual CD was available in an Apple compatible format. The Director of Finance & IT advised the Association's IT did not support Apple but he would investigate what options were available to convert the data.</p> <p>Margaret MacGregor stated the shop owner at Ardenslate, Dunoon wished to purchase land at the back of his shop from the Association. She advised that complaints had been received from residents as the area was not being kept clean. Tenants asked whether a clause could be inserted into the title deeds requesting that the shop owner must keep the area clean. The Chief Executive stated that one of the Regional Managers was investigating the legal position and liaising with Argyll and Bute Council. The Chief Executive confirmed he would look into the various facets and report back to the Board. The Director of Housing & Neighbourhood Services stated she was not aware of a disposal request for the land.</p> <p>Margaret MacGregor advised she had been asked by a tenant in Cragroy whether the Association would be reviewing the sheltered housing service charges as the tenant did not think it was fair some tenants were paying £10 per week while other tenants had to pay £35 per week. The Director of Finance & IT stated it was unlikely officers would recommend a change to</p>	<p>Nick</p> <p>Alastair</p>

	<p>the service charge levels as there was still a deficit. The Director of Housing & Neighbourhood Services advised that out of 201 tenants, 85 remained on the £10 per week charge and 46 of the 85 received Housing Benefit. The Chair stated the Board had agreed the strategy of £10 for existing tenants and a higher rate for new tenants. The Director of Housing & Neighbourhood Services advised that all new tenants were made aware of the service charge prior to signing a lease.</p> <p>Margaret MacGregor asked whether there would be parking facilities at the new ACHA office at Longhill Crescent. The Chair advised parking would be provided across from the entrance, where the play park is currently situated.</p> <p>The Vice Chair advised the Loch Long road would be closed from 16th June 2014 until 11th July 2014 during the hours of 8.30am and 4.30pm.</p> <p>The Chair advised that Sandra MacKenzie would be stepping down as Chair of the Mid Argyll & Kintyre Area Committee at their AGM on 9th July 2014 as she had served for five consecutive years as Chair. He thanked Sandra for her contribution to the organisation and advised she would be invited back for lunch and presentation. Sandra MacKenzie confirmed she would remain on the Area Committee.</p>	
16.	<p>Date & Time of Next Meeting Thursday 10th July 2014, 10.30am in the Argyll Hotel, Inveraray.</p>	