

## Argyll Community Housing Association

### Board of Management Meeting

Thursday 22<sup>nd</sup> October 2015 at 10.30am in Dalriada House, Lochgilphead

#### Minute

##### Present:

Jim Milne (Chair)  
Lorraine-Anne Drysdale (Vice Chair)  
Colin Davidson  
Cameron Grant  
Danny Kelly  
Mary MacAulay  
John Muir  
Douglas Prophet

##### Not in Attendance:

##### In Attendance:

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

	The Chair welcomed Mary MacAulay to her first Board meeting. The Board were advised Mary was a member of the Oban, Lorn & Isles Area Committee and was familiar with ACHA business.	
1.	<p><b>Apologies</b> Neil MacKay, Councillor Sandy Taylor, Councillor Donnie MacMillan, Councillor Richard Trail, Councillor Bruce Marshall, Councillor Roddy McCuish, Stafford Day</p> <p>Neil MacKay asked that a further apology be included for missing his first Board meeting as he had a family holiday booked.</p>	

	<p>The Chief Executive advised the Councillors were not in attendance as Argyll and Bute Council had called a meeting to which they were required to attend.</p>	
2.	<p><b>Minutes of Previous Meeting – 10<sup>th</sup> September 2015</b></p> <p>Page 7 – second last paragraph – amend to read “funding would be available from both Governments to support the refugees”.</p> <p>Page 18 – removed the word “it” from the last paragraph of Item 16.3</p> <p>Subject to the above amendments, the Board of Management <b>APPROVED</b> the minute as a true and accurate record.</p> <p>Proposed by: Douglas Prophet Seconded by: Lorraine-Anne Drysdale</p>	<p><b>LL</b></p> <p><b>LL</b></p>
2.1	<p><b>Minutes of Previous Meeting – 17<sup>th</sup> September 2015</b></p> <p>The Board of Management <b>APPROVED</b> the minute as a true and accurate record.</p> <p>Proposed by: Lorraine-Anne Drysdale Seconded Cameron Grant</p>	
3.	<p><b>Matters Arising</b></p> <p>Page 2 – Item 3 – the Chief Executive advised that confirmation had been received from Argyll and Bute Council indicating they wished to reduce the number of Council nominees on ACHA’s Board from five to three. The Chief Executive further advised that Councillors Roddy McCuish, Richard Trail and Donald MacMillan would remain on the Board following the Rule amendment. The Board were advised all five Councillors would remain on the Board of Management until the Rule amendment process had been undertaken, which should take approximately six months.</p> <p>Page 2 – confidential</p> <p>Page 5 – Item 7 – the Director of Human Resources &amp; Corporate Services advised the Chair had agreed that the Job Evaluation process should be postponed until the Independent Governance Review had been carried out. The Board were</p>	

	<p>advised the Job Evaluation process would be likely to commence early in 2016. The Board of Management <b>AGREED</b> and <b>NOTED</b> the position.</p> <p>Page 7 – Item 11 – the Chief Executive stated a press release had not been issued in relation to the refugee crisis as there was currently no information available to provide to the public.</p> <p>Page 8 – Item 12 – the Director of Human Resources &amp; Corporate Services confirmed she had amended the column heading to “actual target” within the Key Performance Indicator Scorecard.</p> <p>Page 14 – Item 13 – the Chief Executive confirmed a joint press release between ACHA and Lloyds had been released and covered by the media.</p> <p>Page 14 – Item 14 – the Director of Investment &amp; Regeneration advised that until there was a confidential shared area that Board members could access, Board members should contact the Governance &amp; Compliance Manager if they wished to access the Approved Contractor, Consultant or Supplier list.</p> <p>Page 15 – Item 14.3 – the Chair advised he would provide an update on the progress of the Independent Governance Review under AOCB.</p> <p>Page 17 – Item 16.1 – the Director of Investment &amp; Regeneration advised a letter would be issued to residents in Barone Road, Rothesay following the sale of the piece of ground. The Board were advised the Association were in negotiations with the purchaser.</p> <p>Page 18 – Item 16.2 – Colin Davidson asked that updates be provided on the progress of land disposals. Following discussion, it was <b>AGREED</b> the Board of Management would be provided with an annual summary of the outcome of the land disposal requests.</p> <p>Page 18 – Item 16.3 – the Board were advised the South Kintyre Development Trust did not wish to proceed with the leasing of a piece of land until they had undertaken further consultation with the community.</p> <p>Page 19 – Item 17 – the Director of Housing &amp; Neighbourhood</p>	
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	<p>Services confirmed she had advised Councillor Marshall the area of grass he had referred to did not belong to the Association.</p> <p>Colin Davidson asked for an update on how the Tenant Satisfaction Survey was progressing. The Director of Housing &amp; Neighbourhood Services advised that around 1200 to 1300 telephone calls had been made resulting in around 260 completed surveys. She stated that early indications suggest satisfaction levels had improved. Cameron Grant stated he had received a telephone call as part of the survey. He advised that when he advised the caller he was a Board member the caller hung up. The Director of Housing &amp; Neighbourhood Services asked for details of the call and advised she would investigate the incident.</p> <p>Douglas Prophet advised he and his neighbour had received calls as part of the survey. He stated he had not advised the caller he was a Board member. He further stated he was impressed with the survey and the caller.</p>	<p><b>LH</b></p> <p><b>CJ</b></p>
4.	<p><b>Conflict of Interest to Declare</b></p> <p>The Chair advised that in relation to Item 10.2, both he and the Vice Chair served on the AHFA Board of Directors and therefore declared an interest. The Director of Human Resources &amp; Corporate Services confirmed there was no conflict of interest and both the Chair and Vice Chair could remain in the meeting while Item 10.2 was being discussed.</p>	
5.	<p><b>Correspondence</b></p> <ul style="list-style-type: none"> <li>• <b>Letter from Area Committee Member</b></li> </ul> <p>The Chair advised a letter had been drafted in response to the correspondence received dated 14<sup>th</sup> September 2015. The Board were asked to consider the content of the letter. Following discussion, the Board of Management <b>APPROVED</b> the content of the letter for issuing.</p> <ul style="list-style-type: none"> <li>• <b>Special Leave of Absence</b></li> </ul> <p>The Chair advised a leave of absence request had been received from Mike Brown to cover a three meeting period. The Board of Management stated approval had been given at the meeting held on 10<sup>th</sup> September 2016 and formally <b>APPROVED</b> the leave of absence request.</p> <p>The Chief Executive stated the Association had received a</p>	

	letter from the First Minister, Nicola Sturgeon, thanking ACHA for their support in relation to the current refugee crisis.	
6.	<p><b>New Membership Applications</b> The Board of Management <b>APPROVED</b> one new membership application.</p> <p>The Board of Management <b>NOTED</b> the membership total as at 13<sup>th</sup> October 2015 was 258.</p>	
7.	<p><b>Chief Executive Presentation</b> The Chief Executive gave a presentation covering:</p> <ul style="list-style-type: none"> <li>• Key Updates</li> <li>• External Updates</li> </ul> <p>All members in attendance were provided with a copy of the presentation.</p>	
8.	<p><b>Housing &amp; Neighbourhood Services Restructure – additional information as requested</b> Colin Davidson asked for clarification on what happened once a staff members' three year protection expired. The Director of Human Resources &amp; Corporate Services confirmed the member of staff would move onto the new salary for the particular post.</p> <p>The Board of Management <b>NOTED</b> the contents of the report.</p>	
9.	<p><b>Proposed Partial Rules Changes 2015</b> The Chair stated the training session held on Tuesday 20<sup>th</sup> October 2015 had covered the current rules and the amendments. The Director of Human Resources &amp; Corporate Services advised the Scottish Housing Regulator had queried why the Association Rule change had not been implemented. She confirmed she had advised the Regulator the reason for the delay had been as a result of the confusion of Argyll and Bute Council over the number of nominees they wished to serve on ACHA's Board.</p> <p>The Chair advised the Rule amendments had been previously agreed by the Board of Management on 14<sup>th</sup> August 2014 but the report had been provided as a reminder.</p> <p>The Board of Management <b>NOTED</b> the contents of the report</p>	

	and <b>APPROVED</b> the future Board of Management maximum membership number and composition.	
10.	<p><b>Business Plan and Budget Process 2016-17</b></p> <p>The Director of Finance &amp; IT stated it was important Board members were aware the report was the start of the budget process and advised he would flag up key issues which in his view required to be considered during the budget process.</p> <p>The Director of Finance &amp; IT asked the Board of Management to consider the 11 recommendations contained within his report.</p> <p>The Chair stated he would not go through all 11 recommendations individually but Board members should treat them as a package.</p> <p>Colin Davidson thanked the Director of Finance &amp; IT for his informative report and highlighted the need for reducing management costs and addressing the serious problem of long term low/no demand void properties.</p> <p>The Board of Management <b>APPROVED</b> recommendations 1 to 11 contained within the report.</p>	
10.1	<p><b>IT Infrastructure Project Progress Report</b></p> <p>The Director of Finance &amp; IT stated the changeover date was fast approaching. He advised the project was generally on track but three issues in particular had arisen.</p> <p>Business Continuity Team has met and will be disseminating the information to ACHA and AHFA customers.</p> <p>The Director of Finance &amp; IT confirmed there was no expected overspend on the project.</p> <p>The Board of Management <b>NOTED</b> the contents of the report.</p>	
10.2	<p><b>AHFA Business Plan Progress Report</b></p> <p>The Director of Finance &amp; IT talked the Board through his report and advised the information had been produced as the result of a request from Board members. He added the report contained information on staffing, use of sub-contractors, operations and targets against the revised Business Plan.</p>	

	<p>The Board were advised the report was colour coded and there were currently no reds areas within the report. The Director of Finance &amp; IT welcomed questions.</p> <p>Cameron Grant asked in relation to 4.7, how many jobs were completed 'first time' and how many were counted as re-visits. The Director of Housing &amp; Neighbourhood Services advised that not every job fell into the 'right first time' category.</p> <p>The Board of Management <b>NOTED</b> the contents of the progress report.</p>	
10.3	<p><b>ACHA Management Accounts – September 2015</b></p> <p>The Director of Finance &amp; IT took the Board through his report highlighting Income and Expenditure.</p> <p>The Board of Management <b>NOTED</b> the contents of the report.</p>	
11.	<p><b>Void Rent Loss Mitigation Update</b></p> <p>The Director of Housing &amp; Neighbourhood Services took the Board through her report and reminded members of the number of initiatives approved and introduced to attempt to mitigate the on-going concerns relating to void rent loss in low/no demand properties:</p> <ol style="list-style-type: none"> <li>1. Complete analysis of void properties requiring significant investment and programme works taking into account demand, re-let likelihood, cost and impact on neighbours</li> <li>2. Bute – pilot incentive scheme for new tenants:- white goods, carpets, decoration and cash back scheme</li> <li>3. Campbelltown – pilot similar incentive scheme as in Bute plus trial impact of modest spend on environmental works</li> <li>4. Establish potential cost benefit to Association to convert part of Queen Street into office accommodation</li> <li>5. Analyse Business Plan implications in respect of loss of income should sale or demolition be considered</li> </ol> <p>The Director of Housing &amp; Neighbourhood Services stated that some properties requiring significant investment would not be upgraded as it was anticipated there would still be no demand.</p> <p>The Board were advised a small number of houses had been let as a result of the initiatives approved by the Board.</p> <p>The Director of Housing &amp; Neighbourhood Services stated that</p>	

	<p>goods were not purchased and kept in storage. It was the tenants' decision on which incentive they chose. The Board were advised that carpets appeared to be the most popular incentive.</p> <p>Danny Kelly asked if future update reports could contain photos.</p> <p>Colin Davidson stated the Director of Housing &amp; Neighbourhood Services was to be congratulated for her efforts but stated the minimal success did not remove the Board's responsibility to address the problem. The Chair asked whether the Association had a Disposal Strategy. The Director of Investment &amp; Regeneration stated the Asset Management Strategy contained certain points that addressed some of the issues but stated that in terms of a Disposal Strategy, that would be required to be agreed with the Scottish Housing Regulator and the Scottish Government. Colin Davidson stated that action must be taken.</p> <p>The Chair advised the Asset Management Strategy would be discussed under Item 12.2 but suggested devoting one of the Strategic Vision afternoon sessions to discuss it in detail. The Board of Management <b>AGREED</b>.</p> <p>The Board of Management <b>NOTED</b> and <b>APPROVED</b> the recommendations contained within the report:</p> <ol style="list-style-type: none"> <li>1. The Board note the updated information contained within the report</li> <li>2. The Board approve the continuation of the new tenant incentive scheme for low demand properties until 31<sup>st</sup> March 2017</li> <li>3. The Board note that officers will provide additional updates in relation to Queen Street, Campbeltown and the Business Plan implications.</li> </ol> <p>The Director of Housing &amp; Neighbourhood Services advised she would continue providing an update to the Board of Management on progress.</p>	<p><b>CJ</b></p> <p><b>CJ</b></p>
12.	<p><b>Monthly Investment Programme Update</b></p> <p>The Director of Investment &amp; Regeneration took the Board through her report highlighting the figures and completions. She advised there had been a delay in the Cowal and Bute Roof and Roughcast project, which had been affected by</p>	



	<p>Stewart McNee going into Administration. She further advised the tender process was behind by a few weeks.</p> <p>The Board of Management <b>NOTED</b> the contents of the report.</p>	
12.1	<p><b>Due Diligence Audit</b></p> <p>The Director of Investment &amp; Regeneration reminded the Board the due diligence audit had been undertaken on the appointment of Stewart McNee following a request from the Scottish Housing Regulator.</p> <p>She highlighted the key findings on page one of the report:</p> <p><i>“The Association has followed its internal procedures with the appointment of Stewart McNee as a contractor for the Association and it is unlikely the Association could have done much more to anticipate their financial failure. There were no indicators to lead the Association to believe the contractor would fail and even if there was closer engagement with the contractor when it extended its year end it is unlikely the contractor would have engaged fully”.</i></p> <p>The Board were advised the audit contained three recommendations:</p> <ol style="list-style-type: none"> <li>1. Review financial checks procedure</li> <li>2. Carry out a detailed financial assessment prior to letting contracts over £2million</li> <li>3. Consider holding portfolio meetings half-yearly with contractors working on a number of contracts for the Association</li> </ol> <p>The Board of Management <b>NOTED</b> the contents of the report and <b>APPROVED</b> the submission of the report to the Scottish Housing Regulator.</p>	
12.2	<p><b>Asset Management Strategy</b></p> <p>The Chair stated the Asset Management Strategy required to be approved by the Board and submitted to the Scottish Housing Regulator by the end of October 2015.</p> <p>The Board of Management <b>APPROVED</b> the Asset Management Strategy for submission to the Regulator with the caveat the Board would be discussing the Strategy in greater detail at a future Strategic Vision session.</p>	

12.3	<p><b>List of Approved Contractors</b> The Board of Management <b>APPROVED</b> the inclusion of Taylor &amp; Wishart Scaffolding onto the List of Approved Contractors.</p>	
12.4	<p><b>Land Disposal – Jamieson Street, Bowmore</b> The Director of Investment &amp; Regeneration took the Board through the background to the disposal request. She advised the request had been considered by the Oban, Lorn &amp; Isles Area Committee and their recommendation was to put in place standard protective conditions and advertise inviting offers from other Bowmore residents. The Board were advised there were some common rights of accesses. Colin Davidson requested that maps for future report contain clearer information on access.</p> <p>The Board of Management <b>APPROVED</b> the recommendation to advertise the piece of land.</p>	LH
12.5	<p><b>Land Disposal – Cnoc A Challtuin, Isle of Seil</b> The Director of Investment &amp; Regeneration advised the disposal request related to a small strip in front of the property to extend the garden.</p> <p>The Board of Management <b>APPROVED</b> the land disposal request.</p>	
12.6	<p><b>Land Disposal – Elizabeth Avenue, Dunoon</b> The Director of Investment &amp; Regeneration advised a request to purchase an area of land to the front, side and rear of the Ardenslate Store had been received. She stated that a similar request had been received from the store owner in 2014 which the Bute and Cowal Area Committee approved but the disposal had not proceeded. The Board were advised the disposal of the piece of ground would benefit the area as protective conditions would be applied.</p> <p>The Board of Management <b>APPROVED</b> the disposal request for land adjacent to the Ardenslate Store.</p> <p>It was further <b>AGREED</b> the Director of Investment &amp; Regeneration should arrange for the local elected member to be notified of the disposal.</p>	LH
13.	<p><b>ACHA Nomination to AHFA Board</b> The Chair advised there was one independent and one ACHA</p>	

	<p>Board member vacancy on AHFA's Board of Directors.</p> <p>No volunteers to serve on the AHFA Board of Directors were received.</p>	
14.	<b>Refugee Update - CONFIDENTIAL</b>	
15.	<p><b>AOCB</b>  <b>SPSO Complaint</b>  The Board of Management <b>NOTED</b> the content of the SPSO outcome letter and requested the item be discussed further at the December Board meeting.</p> <p><b>Independent Governance Review</b>  The Chair advised the selection panel had met on 21<sup>st</sup> October 2015 to review the tender documents received for the Independent Governance Review. The Board were advised the panel had unanimously agreed North Star Consultancy had come out top for quality and price. The Board gave <b>APPROVAL</b> for the selection panel to contact North Star Consultancy to inform them of the decision.</p> <p>The Chair advised he, along with the Vice Chair, Chief Executive, Director of Human Resources &amp; Corporate Services and Governance &amp; Compliance Manager would attend an inception meeting in advance of the 4<sup>th</sup> November 2015.</p> <p><b>Chair – Finance &amp; Audit and Remuneration Committees</b>  The Chair stated the position of Chair on both the Finance &amp; Audit and Remuneration Committee remained vacant. Douglas Prophet volunteered as Chair of the Finance &amp; Audit Committee. The Board of Management <b>APPROVED</b> Douglas Prophet as Chair of the Finance &amp; Audit Committee.</p> <p>There were no volunteers for the position of Chair of the Remuneration Committee.</p> <p><b>Strategic Planning</b>  The Director of Human Resources &amp; Corporate Services advised the Strategic Planning six monthly review would be held on 26<sup>th</sup> November 2016 in the Loch Fyne Hotel, Inveraray. She advised confirmation of the date would be issued to Board members.</p>	<p>LL</p> <p>CB</p>
16.	<b>Date &amp; Time of Next Meeting</b>	

	Thursday 3 <sup>rd</sup> December 2015 at 10.30am in Dalriada House, Lochgilphead	
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