



MINUTE OF BOARD OF MANAGEMENT MEETING

Thursday 11th April 2013 at 10.30am in the Argyll Hotel, Inveraray

Present: -

Bill McIntyre (Chair)
 George Farquhar (Vice Chair)
 Michael Brown (Chair FAC)
 Archie Blair
 Councillor Rory Colville
 Stafford Day
 Lorraine Anne Drysdale
 Gillian Logan
 Margaret MacGregor
 Sandra MacKenzie
 Marri Malloy
 Councillor Bruce Marshall
 Jim Milne
 John Muir (item 8 onwards)
 Catherine Winton

Not in Attendance

Councillor Iain Angus MacDonald
 Alex Johnstone

In Attendance

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

		Action
1.	Apologies Norman Beaton, Councillor Roddy McCuish, Councillor Richard Trail	

2.	<p>Minute of Previous Meeting – 14th March 2013 The Board of Management APPROVED the minute as an accurate record, subject to the undernoted amendments:</p> <p>Page 6 – Item 9 – Should read ‘John Muir’ instead of ‘Jim Milne’ Page 6 – Item 9 - Number 1 – Should read ‘allow lending’ instead of ‘allow on ending’ Page 9 – Item 12.1 – sixth paragraph should read ‘generally’ instead of ‘generalalloyy’</p> <p>Proposed by Sandra MacKenzie Seconded by Catherine Winton</p>	<p>Lesley Lesley Lesley</p>
3.	<p>Matters Arising Page 10 – Item 13 – The Director of Housing & Neighbourhood Services advised the Chief Executive had responded to Councillor Bruce Marshall’s enquiry regarding the issue at Lorimer Terrace, Sandbank. She further advised that a subsequent enquiry had been received from the Community Council.</p> <p>Page 11 – Item 15 – The Board were advised the Chief Executive had not yet met with Argyll and Bute Council’s Chief Executive, Sally Loudon.</p> <p>Page 2 – Item 3 – Marri Malloy thanked the Director of Human Resources & Corporate Services for providing a list of conferences attended.</p>	
4.	<p>Minute of Finance & Audit Committee – 7th February 2013 The Board of Management RATIFIED the minute of the Finance & Audit Committee.</p> <p>Page 2 – Item 6 – Jim Milne asked what efforts were made to collect from deceased tenants estates. The Director of Finance & IT advised that the Association contact the Next of Kin and issue an invoice to the estate of the deceased. Only debts, where there is no estate, are written off.</p>	
5.	<p>Conflict of Interest to Declare None</p>	

6.	<p>Correspondence</p> <p>Letter from Argyll & Bute Council</p> <p>The Chair read out an email from Councillor John Semple intimating his resignation from the Board of Management and advising that he would be replaced by Councillor Roddy McCuish. The Chair also read out a letter from Argyll & Bute Council advising that at their meeting, held on 21st March 2013, it had been agreed that Councillor Roddy McCuish would replace Councillor John Semple on ACHA's Board of Management.</p> <p>The Chair asked for a letter to be issued to Councillor John Semple thanking him for his services to ACHA.</p> <p>The Chair advised that the SFHA Annual Conference would be held on 6th and 7th June 2013 and asked if any Board members wished to attend. Marri Malloy, Lorraine-Anne Drysdale and Margaret MacGregor, requested to attend as residential delegates and Jim Milne requested to attend as a day delegate.</p>	Bill
7.	<p>New Membership Applications</p> <p>The Board of Management APPROVED one new membership application.</p>	
8.	<p>Chief Executive's Presentation</p> <p>The Director of Housing & Neighbourhood Services gave a presentation on behalf of the Chief Executive, covering:</p> <ul style="list-style-type: none"> • Bedroom Tax • Argyll & Bute Council contributions to ACHA's development programme • Inclement Weather, Kintyre • Other Updates • Other Issues • AHFA <p>A copy of the presentation was distributed to all members in attendance.</p> <p>Marri Malloy asked how tenants could establish how much extra they would be required to pay as a result of Bedroom Tax. The Director of Housing & Neighbourhood Services advised they would receive a letter from Argyll & Bute Council, who administer housing</p>	

	<p>benefit, advising them. She further advised that Association staff had managed to speak to in excess of 90% of ACHA tenants who would be affected by the Bedroom Tax advising them of the extra amount they require to pay. Tenants currently on full housing benefit who move to partial housing benefit have been advised to locate their payment cards.</p> <p>Catherine Winton asked whether tenants who had applied to transfer to a smaller property would be exempt from the Bedroom Tax. The Director of Housing & Neighbourhood Services stated that they would be required to continue to pay until a move took place.</p> <p>Lorraine-Anne Drysdale stated there was confusion surrounding Housing Benefit as Argyll and Bute Council had not managed to issue their annual letters as a result of inclement weather and power outage in the Kintyre area. The Director of Housing & Neighbourhood Services stated the majority of ACHA tenants had been advised by Welfare Rights staff how much extra they would be required to pay.</p> <p>Mike Brown asked whether funds had been drawn down to fund the new build housing. The Director of Investment & Regeneration stated the projects were being self funded and a formal request for grant funding would be submitted upon completion.</p> <p>Councillor Rory Colville asked whether it would be possible to analyse whether the introduction of the Bedroom Tax had an adverse effect on the Association's current tenant arrears. The Director of Housing & Neighbourhood Services stated that analysis would be carried out to ascertain whether the Bedroom Tax had an impact. She further advised that differentiating between arrears would become more difficult with the introduction of Universal Credit.</p> <p>The Vice Chair stated that, while not well publicised, tenants on full Council Tax benefit would no longer receive a rebate on the full amount and that a minimum of a quarter of the Council Tax invoice would require to be paid. The Director of Housing & Neighbourhood Services stated that tenants in rent arrears are usually in Council Tax debt also. She further stated that Argyll and Bute Council had a very robust arrears process for the collection of Council Tax arrears. She advised that ACHA would try to assist tenants with all debts.</p>	
--	--	--

	<p>Councillor Bruce Marshall praised the Association for their support to tenants and commented that all of society were having to undertake cuts to their lifestyle and debts had to be paid.</p>	
9.	<p>Pay Review Consultation Outcome</p> <p>The Directors of Housing & Neighbourhood Services, Investment & Regeneration and Finance & IT, the Governance & Compliance Manager and Marri Malloy left the meeting.</p> <p>The Director of Human Resources & Corporate Services remained to clarify several points:</p> <p>She stated that a new Unison Representative had been involved with the consultation. He stated that Unison members had rejected the 1% pay award offer and Unison were seeking an increase of 2.6%.</p> <p>The Director of Human Resources & Corporate Services advised there were 48 Unison members out of a staffing total of 205.</p> <p>The Chair asked where ACHA sat in relation to pay trends. The Director of Human Resources & Corporate Services stated the Association would undertake a benchmarking exercise in October 2013 but overall the Association remained within the median.</p> <p>Gillian Logan stated the Association had recently introduced a car salary sacrifice scheme. She asked whether there were any other salary sacrifice schemes available that ACHA could introduce to reward staff. The Director of Human Resources & Corporate Services stated that were no other schemes she was aware of. She further reminded Board members that ACHA staff also had the benefit of the Health Shield scheme.</p> <p>Councillor Bruce Marshall stated that 63% acceptance was a good indicator that the Association had provided a reasonable pay award offer.</p> <p>John Muir asked whether ACHA could afford to implement a bonus scheme for staff. The Director of Human Resources & Corporate Services advised the Association would consider whether the current increment system was fit for purpose. She further advised</p>	

	<p>the Association would be investigating a bonus scheme within the next couple of years.</p> <p>The Chair of the Finance & Audit Committee asked whether AHFA would be carrying out their own pay review. The Director of Human Resources & Corporate Services advised the group structure was keen to keep salaries comparable and therefore the increase would be a group pay award. She further stated that should not impact on the Association carrying out pay benchmarking when required.</p> <p>The Director of Human Resources & Corporate Services left the meeting.</p> <p>The Board of Management NOTED the contents of the report and APPROVED a 1% pay award.</p> <p>The Directors of Housing & Neighbourhood Services, Investment & Regeneration, Human Resources & Corporate Services and Finance & IT, the Governance & Compliance Manager and Marri Malloy returned to the meeting.</p>	
9.1a	<p>SPSO Determination</p> <p>The Board of Management NOTED the determination made by the Ombudsman.</p>	
9.1b	<p>SPSO Determination</p> <p>The Board of Management NOTED the determination made by the Ombudsman.</p>	
9.2	<p>Self Assessment Progress Report</p> <p>The Director of Human Resources & Corporate Services talked the Board through her report, which outlined the compliance elements required for Social Landlords and how ACHA would meet the standards. The Board NOTED progress made and further noted there were no standards flagged as Red.</p> <p>The Board were advised that regular monitoring would be required to ensure the Association fulfilled its obligations as a group structure.</p> <p>Councillor Colville raised concerns relating to the recent power outage in the Kintyre area. He stated that many tenants rely on</p>	

	<p>electricity for heating and cooking and had been totally dependent upon neighbours during the serious situation. The Board were advised that residents who had coal fires and gas had fed and watered those who did not. He stated that rural communities had lost power for 7 days. He asked what ACHA had pro-actively done to alleviate the situation. He stated that many tenants had asked whether their coal fires could be re-instated. The Director of Investment & Regeneration advised that most renewable heating systems required some form of electricity in order to run. Councillor Colville stated that alternatives should be sought as tenants were too reliant upon electricity. The Chair asked what ACHA could have done. Gillian Logan advised that recently the Board had modified its Heating Policy to allow the retention of coal fires.</p> <p>The Director of Housing & Neighbourhood Services stated that ACHA had worked closely with the Council's Emergency Planning Team to provide whatever support they could.</p> <p>The Director of Investment & Regeneration advised the Association meets the current SHQS requirement on a regular basis but stated that a new standard would be introduced in the near future. She stated that once the new standards had been announced, ACHA would carry out a review. The Board were advised that new build properties could not be designed based on a once in a lifetime experience. Councillor Bruce Marshall stated that he understood Councillor Colville's concerns but could not support him. He advised the last such serious incident had occurred over 50 years ago and re-iterated that ACHA could not prepare for such eventualities.</p> <p>Archie Blair asked whether ACHA tenants were permitted to store gas cylinders within their homes. The Director of Housing & Neighbourhood Services stated that contravened their lease agreement.</p> <p>The Board of Management NOTED the contents of the Self Assessment Progress report.</p>	
9.3	<p>Total Rewards</p> <p>The Director of Human Resources & Corporate Services advised the Total Reward framework had been due for review in 2013 and as a result of moving to a group structure, along with a number of</p>	

	<p>associated issues over the last year, the details had been updated. She talked the Board of Management through the amendments to the framework.</p> <p>The Chair of the Finance & Audit Committee asked whether the Association operates a Death in Service benefit as part of the Group Life Assurance. The Director of Finance & IT advised that a death in service benefit of 1x full time salary would be paid to the estate of the employee.</p> <p>The Board of Management APPROVED the revised updates to the Total Reward framework.</p>	
9.4	<p>EVH Subscription 2013/14</p> <p>The Director of Human Resources & Corporate Services stated EVH membership renewal had been budgeted for and asked the Board of Management to ratify the decision. She advised that EVH now invoiced the Association in line with the financial year. The Board were advised that the affiliate membership included employee counselling and Health & Safety guidance, both of which more than covered the cost of membership.</p> <p>The Board of Management APPROVED EVH Membership Renewal at a cost of £4,175.</p>	Colette
10.	<p>ACHA Community Lettings Plan – Dalmally & Lochawe</p> <p>The Director of Housing & Neighbourhood Services asked the Board to consider the first Community Lettings Plan. She advised that ACHA were building a small group of houses, two of which would be Mid Market rent, in Dalmally. She advised that without assistance it was unlikely the properties would be allocated to local residents. The Board were advised that Home Argyll allowed for Community Lettings Plans. The Director of Housing & Neighbourhood Services advised that legislation would require to be followed but with a Community Lettings Plan, supplementary points, for normal circumstances, could be awarded. She explained the types of questions that could be asked to allow local residents to be awarded supplementary points. She further stressed that the Community Lettings Plan would not exclude applicants from outwith the area being awarded a tenancy.</p> <p>The Board were advised the Plan had been checked by the</p>	

	<p>Association's legal advisors, Brechin Tindal Oatts, had been through a consultation process and had been presented to the Home Argyll Steering Group for information purposes.</p> <p>Councillor Bruce Marshall stated he was sceptical the Community Lettings Plan would be of assistance to local residents. The Director of Housing & Neighbourhood Services outlined the reasons why it was felt the Plan would work. She further advised that Community Lettings Plans were better suited in small rural areas and admitted they may not be successful in larger towns.</p> <p>Councillor Bruce Marshall stated he felt the allocation system was flawed and asked whether RSLs had made representation to Government to allow the allocation process to be amended. The Director of Housing & Neighbourhood Services advised that representation had and continued to be made. She advised there had been no legislative changes to date but stated the Home Argyll review hoped to tackle some of the issues. Stafford Day agreed with Councillor Marshall.</p> <p>The Chair of the Finance & Audit Committee stated the comment regarding 'commutable distance' was subjective as that distance varied for each individual. The Vice Chair stated that a 'commutable distance' was a 25 mile radius.</p> <p>Councillor Rory Colville advised he welcomed any initiative that would assist local residents in obtaining affordable housing. He raised concerns the criteria being used could be open to interpretation, therefore putting a lot of pressure on staff. The Director of Housing & Neighbourhood Services advised that if the criteria is implemented correctly there should be no legal challenges. She further advised it was not uncommon for applicants to challenge allocations. The Board were advised that if information provided by an applicant was found to be wrong, there was a facility in place to protect the Association allowing repossession of the property, which has been required to be made use of in the past.</p> <p>The Director of Housing & Neighbourhood Services confirmed that all allocations are audited.</p> <p>The Board of Management APPROVED the Dalmally and Lochawe Community Lettings Plan.</p>	
--	---	--

10.a	<p>AHFA Mid Market Rent Lettings Plan</p> <p>The Director of Housing & Neighbourhood Services advised the Lettings Plan had been considered by the AHFA Board at their meeting held on 9th April 2013. She stated one amendment had been made to the document:</p> <p>Section 3 – Allocation Criteria – bullet point 3 – addition of the word locally: ‘A retiring estate, agricultural or public service worked in tied accommodation locally’</p> <p>The Board of Management NOTED the contents of the AHFA Letting Plan for Dalmally and Mid Market Rents 2013-2016.</p>	
10.b	<p>AHFA Mid Market Rent Lease</p> <p>The Director of Housing & Neighbourhood Services advised the Lease for Mid Market Rents, Dalmally had been considered by the AHFA Board at their meeting on Tuesday 9th April 2013. As a result, minor amendments were made:</p> <p>11.6 – Common Areas – additional text to be inserted explaining that tenants should not use loft areas for storage purposes</p> <p>12.3(K) – (Are you content with this relaxation or do you want the absolute prohibition) to be removed from the document. The question should not have been in the document; it had been a question from Brechin Tindal Oatts and had been left in as an oversight</p> <p>12.3(L) – Park any caravan or trailer at the premises (insert – unless permission granted by landlord)</p> <p>The AHFA Board agreed the properties would be carpeted but not supplied with white goods as standard. They agreed to re-visit the decision if requested.</p> <p>The Director of Housing & Neighbourhood Services provided the definition of ‘affordable’ as: the local housing allowance for a three bed property is £117.92 per week. Mid Market can charge up to 85% of the local housing allowance. Dalmally mid market rents will be set at £6,000 per annum.</p> <p>The Board of Management NOTED the Lease for Mid Market Rents, Dalmally.</p>	

11.	<p>2013/14 Business Plan</p> <p>The Director of Finance & IT talked the Board through his report and asked for approval for the financial plans and for their submission to the Lloyds Banking Group and the Scottish Housing Regulator.</p> <p>He stated there had been minimal minor amendments made to the paper, contained within the last few pages:</p> <p>Page 13 – ‘from 0.65% per annum to 1.3% per annum’</p> <p>Page 15 – ‘Peak debt is £59.5 million’</p> <p>Page 15 - ‘Peak debt for Lloyds Banking Group (LBG) debt is £56.5 million with Argyll’</p> <p>Page 16 – ‘The sensitivity means that will reduce from £59.5 million to £58.5 million with LBG debt repayment occurring 2026 instead of 2028 and full repayment of the ABC loan by 2039’</p> <p>Page 17 – ‘The sensitivity means that will increase from £59.5 million to £58.8 million with LBG debt repayment extends to 2029 instead of 2028 and full repayment of the ABC loan by 2039’</p> <p>Page 17 – ‘The sensitivity means that peak debt will reduce from £59.5 million to £58 million with LBG debt repayment remaining at 2028 and full repayment of the ABC loan by 2039’</p> <p>The Director of Finance & IT stated that the Business Plan was a short narrative document, which would be submitted to the May Board meeting. He further advised the financial information would be incorporated into the document.</p> <p>The Board were advised there was a requirement to submit the Association’s financial information to its lender during the month of April.</p> <p>The Director of Finance & IT then talked the Board through all the major assumptions.</p> <p>The Board of Management APPROVED the financial plans for submission to Lloyds Banking Group and the Scottish Housing Regulator.</p>	Nick
12.	<p>Monthly Investment Programme Update</p> <p>The Director of Investment & Regeneration talked the Board through her report, highlighting expenditure and unit installs. She further advised there had been some underspend in relation to roof and</p>	

	<p>roughcast projects due to energy efficiency issues around the contract.</p> <p>The Board were advised that the Council were leading on a major refurbishment project in Inveraray, the Conservation Area Regeneration Scheme (CARS). It had been hoped to back up the CARS project with Heritage Lottery Funding but the bid had been unsuccessful. She stated that Relief Land would remain a priority under any new funding regime.</p> <p>Councillor Rory Colville asked who carried out workmanship checks. The Director of Investment & Regeneration advised there is a checklist that both ACHA staff and the contractor are required to sign off. She stated that she was aware of the issue of the front door in Campbeltown and advised the property had been investigated by ACHA and the contractor. The Association received an apology from the contractor who fitted the door. All doors in the vicinity installed by the contractor were checked following the incident but no further errors were discovered. All areas have been advised to check for the same error.</p> <p>Councillor Bruce Marshall stated there had been a problem relating to works in the Allan Terrace, Lorimer Terrace areas where scaffolding had been onsite for 25 weeks, destroying gardens. The Director of Investment & Regeneration stated the problem had arisen due to the unusual length of cold weather preventing rendering works taking place. She further advised she would discuss the matter further with the Chief Executive on his return from leave. Councillor Marshall advised he had been assured the garden areas would be re-instated. The Director of Investment & Regeneration advised she would be carrying out a site visit on Tuesday 16th April 2013.</p> <p>The Chair stated the agenda item was Business Sensitive and reminded Board members not to discuss outwith the meeting.</p> <p>The Board of Management NOTED the contents of the report.</p>	Linda
12.1	<p>Tender List – Hood Court, Helensburgh</p> <p>The Director of Investment & Regeneration talked the Board through her report.</p> <p>Stafford Day asked whether the tender document could include</p>	

	<p>specific heating requirements and whether the tender document could allow for provision of coal fires, solar PB panels and air source heat pumps. The Director of Investment & Regeneration stated that coal fires would not be included in new build properties nor could the Association afford solar panels. She advised that air source heat pumps may be one of the heating choices but all possibilities would be reviewed.</p> <p>Archie Blair stated the tender list did not appear to be efficient. The Director of Investment & Regeneration stated that geography was not the driver and she did not anticipate geography would be a barrier to contractors winning tenders.</p> <p>Councillor Rory Colville stated he was surprised the EU Procurement route had not been followed. The Director of Investment & Regeneration advised that if tenders came close to the European level, the Association would advertise tenders but if a project were to fall mid band, the Procurement Policy sets out the choices available; to advertise or to select a tender list from the approved contractors. The Board were advised the Association were working to tight timescales and were confident with the contractors chosen. The Director of Investment & Regeneration advised the Board the Association could spend time and money advertising tenders to end up with a tender list not too dissimilar to the current list.</p> <p>Gillian Logan stated that eight contractors was a broad list. The Director of Investment & Regeneration advised that a shorter list was anticipated, between four and six.</p> <p>The Board were advised that a financial risk assessment would be carried out prior to contracts being awarded.</p> <p>Jim Milne queried the unit sizes and asked whether the balance would be altered in the future to take account of the Bedroom Tax. The Director of Investment & Regeneration advised the implementation of Bedroom Tax had already impacted on the size of units being built. She confirmed the Association had moved towards smaller units and consulted the waiting lists prior to setting the unit sizes.</p> <p>Councillor Bruce Marshall stated he was glad to see local</p>	
--	--	--

	<p>contractors on the tender list as the economy of Argyll and Bute was paramount.</p> <p>The Board of Management APPROVED the Tender List for New Build Development at Hood Court, Helensburgh.</p>	
12.2	<p>Tender List – Proposed Offices at Helensburgh & Rothesay</p> <p>The Director of Investment & Regeneration talked the Board through her report, outlining the tender lists related to the two offices the Association planned to build.</p> <p>The Board of Management APPROVED the Tender List for Proposed Offices at Helensburgh and Rothesay.</p>	
12.3	<p>Tender List – New Build at Shoreline, Bowmore</p> <p>The Director of Investment & Regeneration advised the new build project in Bowmore was for 14 units but confirmed it was hoped to increase the number to 20 units, which would provide a better economy of scale.</p> <p>John Muir asked whether Islay Estates had contributed to the cost. The Director of Investment & Regeneration stated that talks were ongoing and it was hoped Islay Estates would contribute.</p> <p>The Board of Management APPROVED the Tender List for New Build Development at Shoreline, Bowmore.</p>	
13.	<p>A.O.C.B.</p> <p>The Chair of the Finance & Audit Committee stated that he was surprised at the cost of new builds per unit. He stated that the development cost of a one bedroom house was around £80,000 and commented that figure could not be realised on the open market. Jim Milne stated that rural developments have a higher cost attached. The Director of Investment & Regeneration stated the benchmark is set by an external body and the new build costs had been contained within the envelope required.</p> <p>Gillian Logan stated that Housing Association's space standards had traditionally exceeded the private sector. The Director of Investment & Regeneration advised that Housing Association's have a range of standards that require to be met.</p>	

	<p>Archie Blair stated that the private sector new build costs are approximately £1,500 per square meter. The Director of Investment & Regeneration confirmed ACHA's costs were mainly comparable. Councillor Bruce Marshall congratulated the Association on the high new build standards and stated he hoped the high standard would remain.</p> <p>The Board were advised that the Information Pack was not for public consumption.</p> <p>Jim Milne asked whether emergency phone numbers/information was provided to new tenants as part of their welcome pack. The Director of Housing & Neighbourhood Services advised she would check the contents of the welcome pack.</p> <p>Marri Malloy asked for further information on the verbal abuse incident report in the Accident and Incident report. The Director of Housing & Neighbourhood Services advised that the incident had been investigated by Argyll and Bute Council as part of their complaints process but no further action had been required.</p> <p>The Chair advised the Scottish Housing Regulator had awarded the Association a medium rating and stated Board members should be pleased with progress.</p>	Christine
14.	<p>Date & Time of Next Meeting Thursday 9th May 2013 at 10.30am in the Argyll Hotel, Inveraray</p> <p>Marri Malloy submitted her apologies in advance of the meeting.</p>	