



# MARYHILL HOUSING ASSOCIATION LIMITED

## MINUTES OF THE BOARD MEETING HELD ON TUESDAY 9<sup>th</sup> FEBRUARY AT 5.30PM IN THE ASSOCIATION'S OFFICES AT 45 GARRIOCH ROAD, G20 8RG

### PRESENT:

Board Member	Attended	Apologies
Lorain Mackinnon (LM) (Chair)	✓	
Betty Smith (BS)	✓	✓
Lynn Graham (LG)		
Les Currie (LC)	✓	
Alastair Gould (AG)	✓ (part)	
Cllr. Mohammed Razaq (MR)	✓	
David Brophy (DB)	✓	
Roger Popplewell (RP)		✓
Sandra Blair (SB)	✓	
Brian Trearty (BT)	✓ (part)	
Eleanor Brown (EB)	✓	
Linda Duff (LD)	✓	

### IN ATTENDANCE:

Staff Member	Agenda Item
Lynn Wassell (LW)	All
Donna Birrell (DBir)	All
Bryony Willett (BW)	All
Caroline Cameron (CC)	All
Kim Grant (KG)	All
Eleanor Biggs (EBi)	All
<b>Other</b>	
Paul Milligan, Scottish Housing Regulator (SHR)	All
Lorna Gillespie, Scottish Housing Regulator (SHR)	All

Item No.	Issue	Action by
<b>1.0</b>	<b>OFFICE SAFETY PROCEDURES</b>	
1.1	<b>Fire safety –</b> The main exits and assembly point were pointed out.	
1.2	<b>Getting home safely –</b> Arrangements were made to ensure that everyone present at the meeting would get home safely.	
1.3	<b>Apologies –</b> Apologies were received on behalf of Roger Popplewell and Betty Smith	
1.4	<b>Declaration of Interests –</b> None.	
<b>2.0</b>	<b>RESIGNATION OF BOARD MEMBER – CARRON GARMORY</b>	
2.1	The Chair reported on the resignation letter received from Carron Garmory.	
2.2	Carron has recently taken up a new position and now finds that she is not in a position to be able to take time away from this. Carron is hopeful that, in future, she will be in a position to join the MHA Board.	
<b>3.0</b>	<b>WELCOME TO AND INTRODUCTION OF SHR REPRESENTATIVES</b>	

3.1	The Chair introduced Paul Milligan and Lorna Gillespie from the Scottish Housing Regulator who will be observing this evening's meeting.	
<b>4.0</b>	<b>APPROVAL OF PREVIOUS MINUTES: 24 November 2015; 28 November 2015 and 11 January 2016</b>	
4.1	The minutes of a Board meeting held on 24 November 2015 were proposed for approval by SB, seconded by LC and agreed by the Board.	
4.2	The minutes of a Board meeting held on 28 November 2015 were proposed for approval by MR, seconded by LM and agreed by the Board.	
4.3	The minutes of a Board meeting held on 11 January 2016 were proposed for approval by les Currie, seconded by BT and agreed by the Board.	
<b>5.0</b>	<b>ACTION TRACKER</b>	
5.1	LW introduced the Action Tracker and relevant updates were provided.	
5.2	LW first asked that Board members note that forthcoming meeting dates shown on the Agenda has one amendment with the Board meeting scheduled for 8 March 2016 now moved to 7 March 2016.	
5.3	Ebi provided an update on item 3.1 of 28 April 2015. Alexander Sloan, External Auditors, will be attending the Audit and Risk Committee meeting on 22 February 2016. At this meeting, a decision will be taken on the approach to how housing stock is stated in annual financial statements and this will then be recommended to the Board in March 2016.	EB
5.4	LW/DBir provided an update to item 13.2 of 24 November 2015. Two of the three posts recently advertised have been filled – Project Manager and Project Officer. However, there had been no success in recruiting the Property Investment Manager. The proposal was that we would not recruit a suitable candidate for 6 months and employ a temporary Investment Manager over this period. The post will then be re-advertised in April 2016. Should this approach be unsuccessful a Plan B is in place to use a Consultant who had worked with us in the past.	
5.5	BW provided an update to Item 3.6 of 28 November 2016. A consultant has been appointed. The consultant has experience of work with other Housing Associations on similar work.	
<b>6.0</b>	<b>MHA DRAFT CORPORATE PLAN AND FINANCIAL BUSINESS PLAN</b>	
6.1	LW advised that there were two key parts to the draft Corporate Plan: an Executive Summary and the Corporate Plan draft content 2016-20. The Executive Summary outlines the journey so far in terms of our vision, values and long term objectives and also the key strategic priorities identified by the Board at the November strategy weekend. The presentation summarises this, provides the headlines from the Best Companies staff survey, and our key challenges for delivery.	
6.2	<ul style="list-style-type: none"> <li>Slide 1 – Worked with Board and staff on the vision, 'Inspiring passion in people, for our homes and for our community'</li> </ul>	

	<ul style="list-style-type: none"> <li>• Slide 2 – 3 Key values developed with staff and tenants – ‘Honest, Friendly, Respectful’, which are supplemented by the detailed Operating Principles used by staff</li> <li>• Slides 3-5 – Information on the staff survey carried out through Best Companies who are specialists in employee engagement surveys. Circa 500,000 people in the UK complete this survey, with the best then going in for the Times Top 100 Companies. This is MHA’s first attempt and being awarded ‘One to Watch’ was a real achievement.</li> </ul> <p>Both private and not-for-profit companies take part.</p> <p>Staff were asked questions based on 8 Factors ranging from My Company to Wellbeing. MHA had an 89% response rate to the survey, which is very high. The results shown here are organisation wide.</p> <ul style="list-style-type: none"> <li>• Slide 6 – This shows the results by teams so we can drill down for detailed information. Every one of MHA’s teams scored above 4 (neutral) so mostly positive results. We will use the results to improve,</li> <li>• Slide 7 – The scores for MHA overall against each of the 8 factors, identifying where we scored highly and where we could improve,</li> <li>• Slide 8 – Information on what matters to our people – Personal Growth, My Company, My Manager</li> <li>• Slides 9-12 – These are heat maps which give responses shown from Green (strongly positive) through the Red (strongly negative). Again, this provides detailed information on areas where improvements can be made. These are a sample on the level of detail available.</li> </ul> <p>6.3 The Board commented that MHA had been fire-fighting for a while whilst new staff have joined the organisation. Have we had time to let staff react positively? LW agreed and noted that a lot had been done in a very short period of time and that staff are very positive about these results. Meetings have been arranged for managers to discuss the results with their team who will come up with Actions Plans which will then be discussed by the Leadership Team.</p> <p>6.4 It was asked if consideration had been given to Healthy Working Lives which could go some way to addressing the lower results for wellbeing? EBi advised that this was an objective for the HR Manager in 2016/17.</p> <p>6.5 It was asked when the survey would be repeated. LW advised that the last was carried out in November 2015 and likely to be repeated November 2016. Best Companies also gives us access to good practice case studies of the best performing companies and this information is being used. The Board was happy that the repeat would allow the Board to see if progress was being made.</p> <p>6.6 LW asked the Board to consider how they would like to be informed of progress in implementing actions from the survey.</p>	
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6.7	<p>Would actions impact on the training budget. LW advised that the Management Team had been deliberating on training and development and the budget available. They were working to make sure it is sufficient to support what we need to do.</p>	
6.8	<p>How success would be measured. How would you know rate of return. How does this translate into better services? LW reported that this is about an engaged, motivated workforce who care about performance. This should lead to improvements in KPI performance; visible positive attitude; and improved tenant satisfaction which is all a result of continuous improvement.</p>	
6.9	<p>The Board thought this is a good thing but is concerned that if we concentrate on this there may be slippage in performance elsewhere and that increased rents are paying more towards this. LW reported that if we invest in our people, including simple no cost activities, we will have a strong, skilled workforce servicing customers well and provide quality services. However, part of the drive for continuous improvement is efficiency and doing things better means doing more with less and the savings going back into tenants' projects. LM asked if there would be in-house rather than always paid for training. LW reported that we use a wide range of training interventions including job shadowing, in house training, visiting others for good practice ideas amongst them.</p>	
6.10	<ul style="list-style-type: none"> <li>• Slide 9 – Photo of staff</li> <li>• Slide 10 – This give the long term objectives: what we'll do. These are the aims determined at the Board Strategy weekend: <ul style="list-style-type: none"> <li>• Create a real sense of community and help people thrive</li> <li>• Provide the best homes and create places where people love to live, work and play</li> <li>• Build a reputation for excellence and being ahead of the game</li> </ul> </li> <li>• Slide 11 – This says how we will achieve the long term objectives: <ul style="list-style-type: none"> <li>• Our people and communities will shape and influence our services</li> <li>• It's all about you – we listen, we learn, we act</li> </ul> </li> <li>• Slide 12 – Advises on those organisations who inform our strategic objectives including those organisations where requirements are non-negotiable (e.g. Regulators)</li> <li>• Slide 13 – Strategic Objectives – what we will measure ourselves against: <ul style="list-style-type: none"> <li>• Making the right investment (is it providing a return on investment)</li> <li>• High performing, customer focussed, value for money</li> <li>• Improving the environment (this is a big issue for local people and so it will be linked to our investments)</li> <li>• Community regeneration – financial inclusion and employability</li> <li>• New build development and growth</li> <li>• Customer Insight (contextual demographics. Is our data good</li> </ul> </li> </ul>	

6.11	<p style="text-align: center;">enough to allow us to tailor our service properly)</p> <p>LW asked the Board if this actually reflected their priorities for the Corporate Plan. It was stated that it reflected what was discussed at the Strategy weekend. The Board further commented that MHA seems to have moved a lot over the past 6-12 months from what seemed like quite a bleak position. The Chair agreed that this had been the case with new staff including the Chief Executive and Director of Housing. MHA had previously been on high engagement from the Regulator and had been facing difficulties but this has changed. The Board advised that there had been problems following the stock transfer and merging staff from one company into another. LM agreed stating that the Board had worked very hard over this time to ensure that the right people were in the right positions and turning around areas of poor performance. The Board commented that it seemed that a lot had been done in developing the right culture and doing the right things for the business and tenants.</p>	
6.12	<p>LW handed over to EB who introduced Financial Planning.</p> <ul style="list-style-type: none"> <li>• Slides13/14 – Financial Planning is based on the Annual Budget and 30 year Financial Business Plan. Both are being worked on now and will be presented to the Board on 22 March 2016 before going to the Regulator and our funders, Royal Bank of Scotland by 30 April 2016. Today is a progress report.</li> <li>• Slide 15 – This advises why a Financial Plan is needed. It has to answer the questions, what do we want to do and can we afford it. The slide gives the same information as had been presented at the Strategy weekend.</li> </ul> <p>(AG joined the meeting).</p> <ul style="list-style-type: none"> <li>• Slide 16 – Continues the reasons for a Financial Plan including ongoing viability which both the Regulator and Bank needed to know, evidence of the ability to grow and develop which ties in with one of the Board’s objectives, identifying risks and threats which could affect financial planning and what actions we are taking to mitigate the effects of these.</li> <li>• Slid 17 - Reasons for Financial Plan continues including the need to manage resources to ensure financial well-being and economic effectiveness.</li> <li>• Slide 18 – Financial Planning Assumptions. Included is reactive maintenance which is based on the average spend per unit which has proved accurate in the past; cyclical maintenance based on a programme of work; and planned maintenance including EESSH (Energy Efficiency Standards for Social Housing) which is to be met by 2020 and requires MHA to know and confirm the actual condition of its stock.</li> </ul>	
6.13	<p>All stock EPC information should have come across on stock transfer. The EPC is valid for 10 years. DBir said that she was not sure of the quality of information that came across from GHA at transfer and that there was also a</p>	

<p>6.14</p> <p>6.15</p> <p>6.16</p> <p>6.17</p> <p>6.18</p>	<p>requirement to update EPC's because of certain works carried out, e.g. Glenavon over cladding, as the energy efficiency of the buildings were improved.</p> <p>EESHS is our key financial risk in the medium term. How much challenge did the figures (5 years) go through? EBi advised that the financial assumptions had been based on Life Cycle Costings information data which although robust included for component replacement but not measures to meet EESHS. These assumptions would need to be updated as we establish more clearly the implications of EESHS and this is a key priority for the Investment Team. . Information will be updated but has been delayed due to the resource issues in the Investment Team.</p> <ul style="list-style-type: none"> <li>Slide 19 - Completed the presentation on Financial Planning by listing the need for efficiency savings and value for money. There would be a bigger focus savings and an ambitious target of 5% for the year.</li> </ul> <p>It was proposed to increase the Community Improvement Fund in order to meet tenants' priorities.</p> <p>MHA's Operating Costs include the staff structure; accommodation improvements which are required; Information Technology which need some investment into the Infrastructure; Website redesign; Rebranding; and Document Management in order to improve and streamline process.</p> <ul style="list-style-type: none"> <li>Slide 20 – Advised of key challenges and risks including EESHS, welfare reform, procurement, pensions review and leadership and management development. EBi added that senior managers are working on an assessment of the key strategic risks and the actions we can put in place to control and mitigate these.</li> </ul> <p>Where did Procurement come in terms of efficiency savings. EBi advised that value for money and efficiency savings would be applied across all activities. It was also advised that the Procurement Strategy would be presented to the Board in March/April 2016.</p> <p>LW added that in terms of Risk Management we have appointed Internal Auditors to carry out an assessment which will be reported to the Audit &amp; Risk Committee on 22 February and the Board on 22 March 2016. The new Auditor will attend the meetings. As part of this, a questionnaire had been prepared and all Board members were asked to complete this and return. A paper copy was distributed and it would also be sent electronically.</p> <p>LW further added that in terms of rebranding the first stage would be the design of a new logo only and a presentation on options would take place at 2pm on 14 March. Any Board member interested in attending should speak to Lynn after the meeting.</p> <p>(BT left the meeting)</p> <p>It was proposed by LM and seconded by SB that the Board:</p> <p><b>Approve the draft Corporate Plan content to date</b></p>	<p>EBi/CC</p>
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	<p><b>Note the progress on reviewing the current Financial Business Plan and annual budget</b></p> <p><b>Note the results of the Best Companies employee survey 2015 and our intention to develop an action plan</b></p> <p>This was agreed by the Board</p>	
<b>7.0</b>	<b>RENT REVIEW</b>	
7.1	<p>BW introduced the report which would cover four areas:</p> <ul style="list-style-type: none"> <li>- Feedback on resident consultation regarding implementation of a new revised rent structure and the rent increase from April 2016. Revised</li> <li>- Proposed changes to rent and charges in non-standard properties</li> <li>- Details of the support to be provided to tenants most affected by new rent structure</li> <li>- Timescales for implementation</li> </ul>	
7.2	<p>BW advised that at the last Board meeting, members had agreed the new rent structure and the annual rent increase for 2016/17 that would go out to consultation with tenants. Following this a booklet explaining the new rent structure plus an individual letter giving details of proposed changes from 1 April 2016 had been sent to every tenant (c3, 000).</p>	
7.3	<p>BW circulated a spreadsheet giving a summary of responses to the consultation. There had been a low number of responses but generally these were where tenants were unhappy with the proposals. The key reasons for negative feedback were insufficient difference between 2 and 3 bedroom properties and flats v houses and also concern that where the condition of the property or surrounding area was poor, increased rents are still proposed. For these, individual visits are being made to tenants.</p>	BW
7.4	<p>In terms of non-standard properties, it was noted that the cost for factored properties would rise to £122. The Board asked if research had been carried out into charges made by organisations other than GHA. BW advised that only GHA charges had been checked but that a full review of Factoring was planned.</p>	
7.5	<p>There was a query over charges at Oran. BW reported that rental costs at Oran were currently very high since services were included within rent. The desire was to make the basis of Oran charges the same as at Shiskine, rent and service charge separately. If the transition to a new lower rent was implemented over 3 years, the costs of rent at Oran next year would still be high and when the service charge was added the rise in total costs (rent and service charges) would be very high. It is therefore proposed to implement the new rent in a single year, giving only a small rise overall in 2016/17.</p>	
7.6	<p>BW reported that details of support for tenants negatively affected by the proposed new rent structure were included in the paper. This covered those most affected and not in receipt of housing benefit. Information on support available had been included in the consultation booklet and all will now be phoned to ensure that they receive the help available.</p>	BW

<p>7.7</p> <p>7.8</p>	<p>Finally the implementation timetable was reviewed which includes the formal increase letters which will be sent to all tenants by 22 February 2016.</p> <p>It was proposed by LC and seconded by SB that the following recommendations be agreed:</p> <p><b>For general needs tenants: approve the rent increase of 1.8% and implementation of the new rent structure over three years from April 2016.</b></p> <p><b>For leased properties and temporary furnished flats: approve the rent increase of 1.8% and implementation of the new rent structure over three years from April 2016.</b></p> <p><b>For tenants at Shiskine sheltered scheme: approve the rent increase of 1.8%, service charge reduction as set out in the report, and implementation of the new rent structure over three years from April 2016.</b></p> <p><b>For tenants at Oran sheltered scheme: approve the rent increase of 1.8% and implementation of the new rent and service charge structure in a single year from April 2016.</b></p> <p><b>For shared ownership properties, commercial properties and lock-ups: approve the rent and charges increase from April 2016.</b></p> <p><b>For factored properties: approve the factoring charges increase of 1.8% from April 2016.</b></p> <p>This was agreed by the Board.</p>	
<p><b>8.0</b></p>	<p><b>QUARTER 3 PERFORMANCE REPORT</b></p>	
<p>8.1</p> <p>8.2</p>	<p>CC highlighted key performance areas in the report.</p> <ul style="list-style-type: none"> <li>- Arrears have reduced and although we had seen spikes over Christmas in past years, improvements continue to be seen in 2015/16. Work is being carried out with all staff to emphasise the importance of reducing arrears. A recent series of staff workshops had proposed a number of improvement actions and these are now being implemented</li> <li>- Voids performance continues to improvement significantly and is now below target</li> <li>- Reactive repairs figures are less good with, for example, the current performance of 93.3% not meeting the 95% target on urgent repairs. This has been caused by a systems failure at City Building in December along with a period of poor weather in the same month. A meeting had been arranged with City Building to discuss improvements.</li> <li>- SHQS compliance now stands at 93.7% compared to a target of 100%.</li> <li>- Complaints. Work is now underway on training staff in better complaints handling.</li> </ul> <p>The Board congratulated the team on the improvements that had been made and in particular on re-letting voids against the target of 21 days. How did this 21 day target compared to other HAs. CC reported that we compare well on</p>	



	ARC where we assess ourselves against other social landlords. However, nationally MHA was not as good as some but better than others. What we are looking at now is HAs similar in size and type so that we can compare like for like.	
8.3	There was a question on whether staff were trained not only in handling complaints but in recording and translating complaints. CC reported that training included recording complaints and then reading these back to customers to ensure that they are properly recorded. It was requested that Concierge be included in this training.	CC
8.4	BW added that for the Customer Contact Team, all calls are recorded, listened to and used to improve. What is being looked at now is whether the right KPIs are in place. Currently they are measured on how quickly the phone is answered rather than the quality of handling.	
8.5	What about the failure to achieve 100% compliance with SHQS by end December 2015. DBir advised that we are 93.7% compliant as at end of Q3 There are issues with access which is being denied for a range of different reasons. Colleagues are now being asked to help get access and each property outstanding has an action plan. The aim is to reach 100% compliance by the end of March. A strategy in relation to non-compliance/abeyances is being developed. A further update on compliance would be given after the end of Q4 and will include the breakdown of exemptions and abeyances.	
8.6	The Board approved the report.	
<b>9.0</b>	<b>REQUEST FOR DELEGATED AUTHORITY FOR ACQUISITIONS</b>	
9.1	DBir reported that the paper was to advise the Board on Glasgow City Council's (GCC) Acquisition Strategy. MHA has not been in a position to take advantage of the funds available in the past but with GCC asking for a further round of proposals, MHA is taking part.	
9.2	The funding available pays 100% of acquisition and legal costs and 50% of repair costs. Any bids must ensure that the properties are acquired by 31 March 2016. Because of the tight timescales, the paper seeks delegated authority for the acquisitions of individual properties as detailed in Appendix 1 to the paper.	
9.3	DBir also advised Missives had to be concluded by 31 March and during this time either party could withdraw from the sale/purchase. However, MHA has a reserve list of properties which would replace any withdrawn properties.	
9.4	DBir advised that a consultant had been brought in to co-ordinate the acquisition work whose costs were not grant eligible.	
9.5	It was proposed by EB and seconded by AG that the Board:  <b>Provide delegated authority to approve a programme of property acquisitions, as detailed in the Report, subject to satisfactory conclusion of conveyancing and legal matters.</b>  <b>Note the appointment of a consultant to coordinate the above programme of property acquisitions.</b>	DB

	<p><b>Note the 'in principle' offer of grant funding made available from GCC DRS to acquire the properties, meet associated legal and professional fees, and 50% of the funding of future void/repair works.</b></p> <p><b>Note that until conclusion of missives the actual addresses included in the schedule are subject to change.</b></p> <p>These were agreed by the Board.</p>	
<b>10.0</b>	<b>CEO REPORT</b>	
10.1	<p>LW advised that the report was for information and highlighted two items:</p> <ul style="list-style-type: none"> <li>- Item 1.3: Botany. A report was expected from Engineers on the defects. The Engineers have reported to J B Bennett which should now allow a programme of work to be prepared and implemented. DB will send an update to the Board on the outcome.</li> <li>- Item 3.1: Change of Bank Facilities to Royal Bank of Scotland</li> </ul> <p>The Board noted the contents of the report.</p>	DB
<b>11.0</b>	<b>OTHER COMPETENT BUSINESS</b>	
11.1	<p>LW advises that two papers were provided tonight for Board members. The first gave information on forthcoming Board and Committee meetings for February and March 2016. The second gave proposed meetings of the Board (including Strategy weekend and AGM) and Risk &amp; Audit Committee for 2016/17. These would be sent electronically tomorrow. It was noted that the workload was intense over the coming weeks but this would stand the Board in good stead for the rest of the year.</p>	
11.2	<p>LW advised that the meeting on Monday 7 March would be a planning meeting where the Board would decide when decision would be taken on Corporate Plan priorities. On Tuesday 15 March a range of policies and schedule of policy reviews would be considered. LW proposed that it could be of value, at least for the forthcoming year, to have a Performance and Policy Committee which would replace the Delivery Programme Board. This Committee would consider the Delivery Programme as well as policy reviews. If the Board agree, a draft remit would be prepared for the meeting on 7 March when it could be discussed further. <b>This was agreed by the Board.</b> LW asked that if anyone was interested in standing for Chair of Vice-Chair of this Committee, elections would be held on 7 March 2016.</p>	LW
11.3	<p>The point was raised that in the past MHA has a Development &amp; Regeneration Committee. Could this be resurrected? LW noted that Committees were one of the topics listed for discussion at the Board meeting on 7 March 2016. LW further commented that as the 2016/17 Board Agendas were being planned at the same meeting, the Board may have the opportunity to consider more strategic items and development opportunities could then come to the Board. LM noted that the level of workload and priorities will become clearer in March 2016.</p>	
11.4	<p>A Board member asked if the Board would consider making a donation to the Cystic Fibrosis Charity as part of a fund raising evening being held by a local</p>	KG

	church. It was noted that the Cystic Fibrosis Charity does not receives any government funding. The Board agreed a £200 donation be made. LW asked that written details on the fund raising activity be sought by KG.	
11.5	There being no further business, the meeting closed at 8pm.	