



# MARYHILL HOUSING ASSOCIATION LIMITED

## MINUTES OF THE BOARD MEETING HELD ON TUESDAY 25<sup>th</sup> August 2015 AT 5.30PM At Ledgowan Hall, Ledgowan Place, Glasgow, G20 0JZ

### PRESENT:

Board Member	Attended	Apologies
Lorain Mackinnon (Chair) (LM)	✓	
Betty Smith (BS)		✓
Bruce Dunsmore (BD)		
Les Currie (LC)	✓	
Alastair Goold (AG)		✓
Cllr. Mohammed Razaq (MR)	✓	
David Brophy (DB)	✓	
Roger Popplewell (RP)	✓	
Sandra Blair (SB)	✓	
Brian Treaty (BT)	✓	
Eleanor Brown (EB)	✓	

### IN ATTENDANCE:

Staff Member	Agenda Item
Lynn Wassell (LW)	
Eleanor Biggs (EB)	
Bryony Willett (BW)	
Caroline Cameron (CC)	
Kim Grant (KG)	
Margaret Reid (MR)	
Kirsty McCourt (minutes)	
<b>Other</b>	
Allison Devine, Alexander Sloan (AD)	Item 5
Steven Fraser, Royal Bank of Scotland (SF)	Item 4

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 Betty Smith and Alastair Goold.	
1.4	<b>Declaration of Interests –</b> None.	
<b>2.0</b>	<b>APPROVAL OF PREVIOUS MINUTES : 23<sup>rd</sup> June 2015</b>	
2.1	The minutes of a Board meeting held on 23 <sup>rd</sup> June 2015 approved by the Board.	
<b>3.0</b>	<b>MATTERS ARISING/ACTION TRACKER</b>	
3.1	LW advised that items on the Action Tracker were being progressed by staff and asked for any questions:	

<p>3.2</p> <p>3.3</p>	<p><u>Meeting of 26<sup>th</sup> May:</u> 3.2 City Building Meeting now 4-6pm on Monday 21<sup>st</sup> September 2015</p> <p><u>Meeting of 23<sup>rd</sup> June:</u> 5.7 T C. Young has advised that the Regulator has approved the rule changes. Mark Ewing from T C Young will be at SGM when approval for changes will be sought.</p> <p>5.8 Carron Garmory sent apologies. She was in Edinburgh this afternoon and unable to get to meeting in time. She is still keen to join Board so will try and arrange for her to meet some Board members before or at AGM.</p> <p>10.4 A Board member asked if there had been any feedback from owners since the withdrawal of the factoring service. MR confirmed that one owner had expressed dissatisfaction and advised that there had been queries raised on the final invoices.</p>	<p>LW</p>
<p><b>4.0</b></p>	<p><b>FINANCIAL BUSINESS PLAN</b></p>	
<p>4.1</p>	<p>EB introduced Steven Fraser, Relationship Manager from Royal Bank of Scotland (RBS). Steven Fraser confirmed that it had been almost four years since his last visit, when the stock transfer had taken place. SF issued a presentation to the Board and explained that he was part of the Housing Team within RBS which covered the housing sector throughout the UK. SF advised that the team were very experienced and were keen to engage more with their clients including the Board and the Senior Management Teams.</p> <p>SF provided slides which covered the following areas:- highlighted:</p> <ul style="list-style-type: none"> <li>• <b><i>What is An Annual Review</i></b></li> <li>• <b><i>Existing Facilities: Key Risks</i></b></li> <li>• <b><i>Management and Strategy</i></b></li> <li>• <b><i>The Financials</i></b></li> <li>• <b><i>Business Plan – What’s The Story?</i></b></li> <li>• <b><i>Business Plan Approval</i></b></li> <li>• <b><i>Pictures Paint a Thousand Words</i></b></li> <li>• <b><i>Business Plan - Sensitivities</i></b></li> <li>• <b><i>Business Plan – Conclusions</i></b></li> <li>• <b><i>Information Provision</i></b></li> <li>• <b><i>Working Together</i></b></li> </ul> <p>A Board member asked if SF had any comment to make on the reports made to the Board in terms of performance. SF noted that the red/amber/green system including KPI information was very good.</p> <p>LW thanked SF and noted that it had been very useful to see how the overall relationship works and how positive an experience it had been. LW also suggested that the presentation would be useful as a Board workshop, and that Board members are interested in more financial training. SF confirmed he was happy to set up a session to help Board members examine the financial business plan and what key things to look for and challenge.</p>	<p>EB</p>

5.0	<b>AUDITOR'S REPORT AND MANAGEMENT LETTER, INTERNAL CONTROL AND FINANCIAL STATEMENTS TO 31 MARCH 2015</b>	
5.1	EB introduced Allison Devine from Alexander Sloan to present the Annual Accounts. It was noted that the Audit and Risk Committee had discussed the accounts and disclosures in detail at the last meeting. EB summarised the year end position and covered the main aspects of her report.	
5.2	<p><u>Annual Accounts</u></p> <p>AD highlighted some areas within the accounts and advised Board members of the notes accompanying the accounts. Specific points raised included:</p> <ul style="list-style-type: none"> <li>- Decrease in bad debts by 1.13%</li> <li>- Decrease in void loss by 1.66%.</li> <li>- All covenants in the year were met</li> <li>- Increase in turnover of 21%. 6.8% of this was due to an increase in properties following completion of Maryhill Locks. Increased wider role funding had also contributed to this including funding from Big Lottery and SLAB for Financial Inclusion staff</li> <li>- There had been 6 Right to Buy sales in the year.</li> <li>- The negative goodwill figure (book entry only) was consistent with previous years</li> <li>- 17 Shared Equity properties had been sold in the year (£1.2million). For shared equity properties there is no financial gain or loss</li> <li>- Staff costs had increased mainly due to restructuring costs</li> <li>- Fixed Assets had increased from the previous year.</li> </ul> <p>AD explained the current assets including cash in bank and investments and noted the overall financial health of MHA as summarised in the balance sheet.</p> <p>Pension liability had increased to £932,000 from £292,000. AD explained that this was based on assumptions made by the actuaries on a recent revaluation of the Strathclyde Pension Fund.</p>	
5.3	<p><u>Audit Report</u></p> <p>AD explained the purpose of the financial audit which is to determine if the accounts are a true and fair view of the assets and liabilities and if, in the auditor's opinion, they have been prepared in accordance with all legislation and regulatory requirements.</p> <p>The Auditor is also required to report some matters 'by exception' which are detailed in the Audit Management letter. For MHA there are no matters of concern.</p> <p>At end of the Audit, the Auditor issues the Management Letter which is also copied to Regulator and Bank. Three areas were highlighted:</p> <ul style="list-style-type: none"> <li>- Section 9 (Internal Controls), Observation and Implication: Factoring Recharges Control Account &amp; Reconciliation: It was noted that this has not led to any financial loss to MHA. Changes to the procedures and at least quarterly reconciliations will be carried out</li> <li>- Section 9 (Internal Control), Observation and Implication: Rent Arrears: It was noted that gross arrears represented 7% of net rental income receivable (compared to 9% the previous year). The Management Letter acknowledges the priority being given to rent arrears performance and the awareness of the need to improve by the</li> </ul>	EB

	<p>Management Team and Board. It is recommended that rent arrears continue to be a priority area.</p> <p>- Section 10.1 (Future Issues). Allison advised that a new approach to accounting SORP will be applicable to the Association for next year's accounts. It was noted that the accounts will look very different. Actions will be put in place to meet the requirements from SORP from 2016. EB will arrange a meeting with the auditors to identify requirements of the new SORP and to arrange a meeting with the Audit Committee to go through the previously completed SORP health check as well as the implications of the SORP on the Association's accounts.</p> <p>EB agreed the impact will be assessed by the Auditor and discussed in detail with the Audit Committee.</p> <p>The Chair of the Audit &amp; Risk Committee advised that the Minutes from the Audit &amp; Risk Committee held last week were not yet available but following a lengthy and technical discussion on the Accounts, the Audit &amp; Risk Committee recommended that these be approved by the Board.</p> <p>The Board approved:-</p> <ol style="list-style-type: none"> <li>1. The financial results for the year.</li> <li>2. Noted the adjustments since the management accounts were reported and approved.</li> <li>3. Noted the position regarding the audit and approved the letter of representation and the management letter.</li> <li>4. Approved the online submission of the Report and Financial Statements to the SHR.</li> </ol>	<p>BW</p> <p>EB</p>
<b>14.0</b>	<b>MINUTES OF AUDIT &amp; RISK COMMITTEE, 14<sup>th</sup> JULY 2015</b>	
14.1	<p>Item brought forward because the chair of the Audit &amp; Risk Committee had to leave the meeting early. The chair of Audit &amp; Risk Committee reported that there have been two Risk &amp; Audit Committee meetings since the Board last met. One set of Minutes is provided tonight for information with the following highlighted:</p> <ul style="list-style-type: none"> <li>• The Audit &amp; Risk Committee have agreed new Terms of Reference.</li> <li>• There was a long discussion on Internal Audit due to the number of Internal Audit reports provided.</li> <li>• The Internal Audit contract is about to be re-tendered to get better value and comparative information on good practice and performance.</li> <li>• Quarterly accounts. In future the Audit &amp; Risk Committee will consider a detailed version of the accounts with a shorter version presented to the Board for information. Any matters of interest will be brought to the Board's attention</li> <li>• That the Regulator expects that RSL's have strong, effective Audit Committees.</li> </ul>	
14.2	<p>The Board noted the Minutes of a meeting of the Audit &amp; Risk Committee held on 14<sup>th</sup> July 2015.</p> <p>DB left the meeting.</p>	

<b>6.0</b>	<b>BOARD EFFECTIVENESS PLAN PAPERS</b>	
6.1	<p><u>Standing Orders/Scheme of Delegation</u>  LW stated that most Board members had attended the recent workshop on the new proposed Scheme of Delegation and had been able to comment upon the detail. This document had been revised since the workshop to reflect Board's feedback. LW highlighted the key areas for discussion and what had been amended.</p> <p>Board members asked questions about spend authorisation levels, and LW confirmed that these have been increased in some cases, to enable staff to deal with processes more quickly and effectively. It was clarified that all spend decisions will comply with approved policy e.g. rent arrears court applications and Board approved budgets. Board requested follow up information on housing services budgets at housing officer level (grade 7) i.e. what areas of spend are they responsible for.</p> <p>LW proposed that Concierge Supervisors be added into the Grade 5 equivalent sign off levels. This was agreed.</p> <p>There was some discussion around evictions decisions no longer coming to Board. LW advised that this has been considered in detail at the Board Workshop where it was suggested that the Board makes sure the policy and process is right and is followed rather than make decisions on the evictions. The Chair emphasised that it is more appropriate that the Board holds staff to account on the management of evictions by including the right information in performance reports and challenging as needed.</p> <p>The Board also noted that Standing Orders (including Financial Regulations) and associated procedures will be fully reviewed and brought to the Board meeting in February 2016 for approval.</p> <p>The new Scheme of Delegation for MHA was approved by the Board.</p>	<p>BW</p> <p>LW/BW</p>
6.2	<p><u>Role Profiles – Chair, Vice Chair and Board Members</u>  The office bearers' roles had also been discussed at the Board Workshop. If approved, the Board members' role profiles would be signed off at the same time as the Code of Conduct by every Board member at this year's AGM. There were no further questions on any of the role profiles.</p> <p>The new role profiles for the Chair and Vice Chair of the Board and for Board members were approved by the Board</p>	
6.3	<p><u>Board Code of Conduct (SFHA model)</u>  KG confirmed that there had been no substantive changes to the document since it was approved by the Board in 2013 with the changes generally being in layout and making descriptions clearer. A version of the document with tracked changes is available to anyone who requires this. If accepted a full copy will be signed by all Board members after the AGM.</p> <p>The revised Code of Conduct for Governing Body Members was approved by the Board.</p>	KG
<b>7.0</b>	<b>HEALTH AND SAFETY REVIEW</b>	
7.1	KG confirmed that her report covered two main topics, how we manage health	

	and safety and the action plan from the recent audit.	
7.2	<p><u>How we Manage Health and Safety</u></p> <p>The Board has ultimate responsibility for health and safety, with the CEO responsible for overall arrangements. The proposed approach shows that KG would be accountable to LW for all matters relating to the health, safety and welfare of employees and those affected by MHA's operations. Thereafter, day to day responsibility will be moved to a number of staff through the organisation. If the approach is approved KG will return in November with an implementation plan for approval, this will include a health and safety forum, sub-committee and senior management responsibility.</p>	KG
7.3	<p><u>Action Plan from Audit</u></p> <p>KG advised that a health and safety audit of our office premises was carried out in April 2015, there had been 7 legal non-compliances, 4 non-compliances and 7 operational non-compliances. The action plan has been discussed and is achievable. All non-compliances will be rectified within a three month timescale, with legal non-compliances being prioritised and rectified within two months.</p>	KG
7.4	The approach for the management of health and safety at Maryhill Housing Association and the Action Plan to address non-conformances and recommended improvements found during the annual Health & Safety Audit were approved by the Board.	
<b>8.0</b>	<b>ICT ACCEPTABLE USE POLICY</b>	
8.1	<p>EB explained the purpose of the Acceptable Use Policy for staff and Board. EB confirmed that the policy aimed to reduce the risk to the Association in terms of data, home working, remote connections and personal use of resources and equipment. If approved, the policy would be required to be signed by all Board members and all staff.</p> <p>The Acceptable Use Policy for ICT Systems was approved by the Board.</p> <p>A board member asked when DropBox would be operational. KG advised the upgraded software was being purchased.</p>	EB
		KG
<b>9.0</b>	<b>Q1 PERFORMANCE</b>	
9.1	CC provided a performance report to the Board and confirmed that arrears had increased, but were on trend for the time of year.	
9.2	A Board member asked if there had been any improvement on emergency repair response times. CC confirmed that the response time for City Building had been reduced from 4 hours to 2½ hours to try to improve the performance in this area. LW advised that a dialogue was in place with City Building to improve on overall contract performance.	
9.3	A Board member asked about the performance in relation to re-let times being 36 days when the target is 21 days. LW confirmed that there had been a number of long term difficult voids in the first quarter which had a disproportionate impact upon performance and there should be improvement. There was a discussion on time to let voids and it was agreed that the measure	

	was being reported in a manner which was not a fair reflection. Currently time is from date of vacancy until date of re-let. It was agreed that this should be calculated from date of vacancy to date able to re-let.	CC
9.4	It was noted that SHQS, Voids and Arrears are being looked at in detail by the Programme Board.	
9.5	A Board member queried why, when furniture is being emptied from properties, this is not offered to Ruchill Furniture as had been agreed in the past. BW to follow up.	BW
9.6	Changes in Tenant Sustainability figure was a matter of concern. There was also an increase in the Turnover of Tenancies. There seems to be a number of reasons why these have worsened and it was agreed that further research into reasons and evidence is required.	BW
9.7	the Board also raised the issue that a number of results are reported as Amber when realistically they should be Red. The RAG status should not be determined on what actions are known to be planned to improve the situation, but the results as they are with an explanation and notes on actions provided. This was agreed.  It was agreed that RAG status should be changed to reflect the actual figures and not determined by known improvements or planned improvements.	CC
<b>10.</b>	<b>RENT &amp; SERVICE CHARGES – APPOINTMENT OF CONSULTANTS</b>	
10.1	LW proposed to appoint consultant Arneil Johnston to carry out a rent and service charge review. Arneil Johnston is a specialist in the social housing sector and had been highly recommended by other Housing Associations. The Board queried use of a single supplier negotiated process rather than going to tender. LW explained that finding experienced consultants to carry out this work is difficult. This consultant is an experienced supplier and this was also an exceptional case in terms of the need to tie in the timing of this work with the asset management review and work on our overall financial capacity.	
10.2	The Board approved the appointment of Arneil Johnston to support the project to review rents and services charges across the business at a cost of up to £20K (including VAT and expenses). The Board also noted progress on consulting with tenants and owners in Maryhill Locks about service charge costs.  LC left the meeting at this point.	LW
<b>11.</b>	<b>REDECORATION MAINTENANCE CONTRACT 2015-20 –Confidential</b>	
11.1	BW advised that the tender has gone through the PQQ stage and JS McColl, a local contractor have won on price. MHA has experience of this contractor and positive feedback has been received from other Housing Associations. The PQQ was very detailed in terms of specification of paint type, methods, quality etc. therefore the lowest price can be accepted.  BW confirmed that the planned programme of works had been agreed with housing management, maintenance and investment staff. It was agreed that	

	regular communication with the contractor and staff would take place to ensure best use of the contract. The Board queried who carried out valuations of the work. BW to check and report back.  The Board approved the acceptance of the tender from J S McColl Limited.	BW
<b>12.</b>	<b>RESIDENT COMPLAINT, LOCHBURN CRESCENT</b>	
12.1	MR gave background information to the report on the complaint.  The Board agreed that MHA meet the cost of the demolition and rebuild of Complainant private stretch of wall (7m long approximately be met. The total cost of this, based upon current estimates, is £6,370.15 inclusive of all fees and vat. It should be noted that this cost may increase or decrease once tenders are received for the project.  A discussion took place on the work being carried out. MR advised that this work was being carried out at a cost to MHA due to damage being caused to the wall by our instruction. MR advised that she had taken legal advice and advice from our insurers and that MHA were liable for the costs as we (although in good faith) removed bricks from a private stretch of wall. MR advised that the next stage was to tender the works (adding one or two other closes to the tender to obtain some economies of scale/reduce owners cost and attempt to get a rolling programme up and running thereafter). Margaret advised that getting one close up and running with owner negotiations was resource intensive and reassured the Board that the property in question was the priority over and above all other closes. This was agreed by the Board.	LM/LW
12.2	It was also proposed that delegated authority is given to the Chair and CEO for decision making in relation to this case. This would allow the owner to be advised that in principle the Board have approved the recommendation and avoid the owner having to wait until November for a decision from the Board. This was agreed by the Board.	
<b>13.</b>	<b>CEO REPORT AND Q1 MANAGEMENT ACCOUNTS</b>	
13.1	LW highlighted specific areas of the Report: <ul style="list-style-type: none"> <li>• LW noted the recent SHR visit and confirmed that they will attend the November Board meeting.</li> <li>• Payment and Benefits Policy: To be presented to Board in November 2015.</li> <li>• KG was making arrange for the AGM and would be in touch with those required to stand down and seek re-election.</li> <li>• Satisfaction Survey: This has now been sent out to tenants and included questions which would contribute to the work on Rent and Service Charges Review. Board members are asked to encourage people to complete and return the survey</li> <li>• The Scottish Government People and Communities Fund (PCF) require Maryhill HA to update a Schedule of Authorised Signatories for PCF. The Board considered the proposed schedule of authorised signatories for the Scottish Government People &amp; Communities Fund for 2015-16. The Board unanimously approved that the staff listed as per schedule attached are authorised</li> </ul>	KG KG KG



	<p>signatories for the Scottish Government People &amp; Communities Fund 2015-16.</p> <ul style="list-style-type: none"> <li>Lloyds Bank has issued its annual facility letter confirming arrangements for the ongoing provision of day to day banking services to the Association. The Board noted these arrangements and relevant Board members signed the facility letter.</li> </ul>	
<b>14.0</b>	<b>ANY OTHER COMPETENT BUSINESS</b>	
14.1	<p><b><i>Donations</i></b></p> <p>KG noted that staff had held a fundraising dress down day to raise funds to purchase a shelter for the Nepal Earthquake victims. The cost of a shelter is £300, staff managed to raise £250. Staff have requested a donation of the remaining £50 to allow a shelter to be purchased.</p> <p>KG explained the current donations policy and asked that the Board reconsider amending this policy. The amendment will allow for donations of up to £100 (no more than £500 in one year) to causes which support the principles of MHA but operate out with the Maryhill area.</p> <p>It was agreed by the Board that the policy be amended and that a £50 donation be made.</p>	KG