



1986-2016: Celebrating 30 years working in the community

**Barrhead Housing Association Limited
Minute of Governing Board Meeting
Thursday 3rd August 2017 at 6.00pm
60/70 Main Street, Barrhead**

Present:

**C Boyd, Chairperson
R McGuire, BEM, Vice chair
B Connelly, MBE, Secretary
L Hendry**

**D McKinney
J Hamilton
C Baird
B Welsh, Observer**

In Attendance:

**S Robison, Chief Executive
L Dallas, Director of Customer Services
J Ward, Director of Asset Management
H Sutherland, Director of Corporate Services
F Fleming, Chiene + Tait (external auditors, Agenda 5.1 and 5.2)
C Steedman, Chiene + Tait (external auditors)**

Agenda – BHA Governing Board meeting	
1	Apologies & Sederunt Check Apologies were received from Councillor Convery, D McCreadie. It was noted that R Mould (observer) had not been invited to this meeting. Sederunt was signed by those present.
2	Declaration of Interest for noting - none noted.
3	Approval of Minute (a) Board meeting 29th June 2017 Chief Executive referred Board members to the post meeting note at item 5.5 – see matters arising below. The Board Minute was approved by B Connelly and seconded by D McKinney as a true record of the Minute. Minutes for Noting – (b) LPS Board meeting- 6th July 2017
4	Matters Arising from Above Minutes 5.5 Director of Corporate Services highlighted that staff had noticed an error in the 5-year financial return as a result of rent increases being double counted, therefore the cash balance was higher than expected. The revised return was explained in more detail to members. Board members approved the return, which had been submitted by 30 th June 2017 deadline to the Regulator. The Regulator would be

	<p>contacted about this late approval.</p> <p>5.11 Director of Asset Management confirmed that a section of land had been sold for £1500 plus VAT and expenses, which left a small section of land that had little value nor purpose other than costing to keep tidy. No offers had been received for this remaining land.</p>
<p>5</p>	<p>5.1 BHA Statutory Financial Statements to 31st March 2017 –presentation by Chiene & Tait for approval</p> <p>External auditors took members through the Audit Report findings in detail particularly relating to the pension re-measurement amount which was not contained within the salary expenditure due to the significant sum involved; the key changes to the financial statements and changes relating to growth, and in particular the deficit on wider role activities. Board members noted that these related to the cost of the development agency services and community regeneration officer, which were part of the strategic objectives of the business plan. External auditors indicated a clean audit report and members noted there was no material or significant changes or issues to raise following completion of the audit. The financial statements were approved by the Board and would be presented for signing by the Office Bearers. There were no questions relating to the draft letter of representation.</p> <p>5.2 LPS financial statements to 31st March 2017 for approval</p> <p>External auditors provided a brief review of the financial statements. Members requested further clarification on the deduction of income for repairs and relates to the threshold which could result in VAT being applicable. Members requested further explanation within the notes to this effect following discussion with the VAT expert from Chiene + Tait. The accounts were not therefore recommended by LPS Board members for approval to BHA until this amendment had been fully explained.</p> <p>5.3 Chief Executive’s Report</p> <p>Board members were referred to the report and noted progress with new member’s induction. Observers B Welsh and Councillor Convery would continue as observers until their induction had been completed. This induction was also being completed for two new LPS Board members. Members discussed the position of ‘observer’ for R Mould given his position as Vice Chair of Neilston Community Council and the ongoing consultation for Kirkstyle Lane, the Association’s proposed development. Chief Executive reminded members of the following statement in our Code of Conduct – ‘if you are unable to support in public a decision that had been properly reached by the Governing Body, you should resign’. Board members discussed the position of Board membership for R Mould and agreed that this should be put on hold until after a decision had been made about Kirkstyle Lane siting a significant conflict of interest and inability to abide by the code of conduct. Members approved this decision. Members noted the remaining items on the Report. For the tender for feasibility study, Board members approved the appointment of Barham Glen Architects.</p>

5.4 Arrangements for AGM and report on Board appraisals and Performance Review

Chief Executive referred to the final report on Board elections confirming 4 Board members standing for re-election as reported. Board members noted that B Connelly had completed his appraisal and the recommendation was for him to be allowed to stand for re-election under the 9-year Rule. Board members **approved** the nomination of B Connelly for re-election at the AGM. All AGM papers had now been issued. Board members noted the report on appraisals and the positive response to the Board performance review by members. These items would be picked up for further discussion at the governance review now going forward.

5.5 Business Plan update

Chief Executive referred to the finalised workplan on the revised strategic and operational objectives as previously discussed. Board members noted a successful appointment for our IT Business and Support Officer post and our Repairs Operative (handyperson) post. Both would start employment in August 2017. This report was **approved** by the Board. Members requested further clarification on the position with ERHR. Director of Customer Services was due to meet ERC at the end of the month and a report would follow.

5.6 Governance and financial management – self assessment – quarterly update

Chief Executive referred to the updated report and the governance review now underway. Board members would be involved in this review which would follow the 6 Regulatory Standards. Members noted the governance thematic report would be published by the Regulator in August 2017 and would aid the internal governance review for BHA. Members noted the report.

5.7 Report on private finance tender – circulated late (Wednesday)

Director of Corporate Services apologies for the late circulation due to annual leave. She took members through the finalised report and subsequent amended terms available from Triodos Bank which resulted in a final recommendation to the Board to go forward with their offer. Board members **approved** this loan offer which would now be subject to due diligence and credit approval.

5.8 Q1 Performance Reports including Complaints

Chief Executive requested that this report be held until the next meeting to allow for full reporting across all performance areas. This was **approved**.

5.9 Repairs report on tender and repairs satisfaction surveys

Director of Customer Services took members through the time line and requirements for re-tendering the single term contract. Members noted the need for assistance from a procurement specialist, used for IFLAIR. Members were also presented with the first quarter external telephone surveys, noting a more positive response at 93% on the overall repair service from tenants surveyed. Members would be kept informed of progress for the re-tender and noted that management

of the contract to 31st March 2018 would be challenging and could result in poorer performance.

5.10 Internal Audit for Repairs and Action Plan

Director of Customer Services highlighted the 6 key audit objectives of the recent Repairs Audit. Members were asked to note the full Report provided by Arneil Johnston which looked at 121 operational & strategic issues. The Board **approved** the Action Plan which highlighted all actions required as a result of the reactive repairs audit which focused on failures and opportunities for improvement.

5.11 Validation Visit 2016/17 ARC Return

Director of Customer Services referred to the Validation Visit Report by CD Consultancy and confirmed that Actions required as a result of the visit would be collated within either the Internal Audit Action Plan or existing Validation Visit Action Plan. The Board were asked to **note** the main issues highlighted within the Validation Visit which related to the calculation of Right First Time; the exclusions that were made for no access and the lack of detail on how information was submitted to the Association by the Gas contractor.

As a result of the Validation Visit indicators required to be amended and the Director of Customer Services referred to the Revised Charter Indicator report highlighting the figures that were re-stated to the Regulator. Due to the tight timescales involved in relation to the production of the Landlords Report, the Board were asked to **note** that the figures had already been submitted.

Indicator 12 – amended from 4.91 days to 4.92 days
Indicator 13 - Right first time total 1461/76.05% changed to 1841/78.31%
Indicator 14 - Appointments Kept changed from 90.88 to 90.68%
Indicator C13 - Total number of repairs 2669 amended to 2639
Indicator 30 - % of rent due changed from 101.53 to 100.83%
Indicator 31 - % of gross rent arrears changed from 2.89 to 2.88%
Indicator 34 - % lost empty properties from 0.28% to 0.29%

A discussion took place regarding Right First Time (RFT), noting specific repair examples reflecting concerns on RFT performance. Director of Customer Services agreed to investigate particular issues where the Chief Executive asked Board members to note that as the existing contract was winding down, performance issues were becoming more evident with the current contractor.

5.12 Community Regeneration Strategy – revised draft

Director of Asset Management took members through the revised and much improved draft Strategy. Members were updated on current projects and staff indicated that a quarterly report would follow on progress. Members **approved** the Strategy for further consultation.

	<p>5.13 FLAIR benchmarking report 2016/17</p> <p>Chief Executive highlighted the report and performance of BHA against FLAIR partners. A number of areas were now subject to peer review across FLAIR and a report would be made to the FLAIR Director's meeting in due course.</p> <p>The Board members were asked to note the report where the Chief Executive highlighted significant differences in Section 5 allocations between FLAIR partners (average 15%) against BHA had who allocated 34% of overall selections to Section 5 cases. Further investigations will be undertaken to clarify overall targets for respective Council areas and reported back to members.</p> <p>A discussion took place regarding the allocation process where the Director of Customer Services provided an overview of the selection process including the systems and checks in place to ensure adequate support and the provision of information relevant to ensure sustainable tenancies. In relation to BHA's factoring debt proposed write off, Director of Asset Management gave members an update on the position with debts between BHA and LPS and the 23 Notices now applied to properties which would allow the debts written off to be pursued when the property was sold.</p>
6	<p>Policies for approval: none</p>
7	<p>LPS updates – see all Board reports from meeting held on 6th July 2017 – BHA Board approval required to write off BHA factoring debts reported.</p>
8	<p>Matters for Information/Standing Agenda Items</p> <p>8.1 Correspondence - Wellhouse HA investigation report – members noted and discussed the report.</p> <p>8.2 Governing Board Workplan and work schedule – n/a</p> <p>8.3 Notifiable events – none</p> <p>8.4 Documents for execution/approval/noting – none</p>
9	<p>Health & Safety – incident report – nothing to report</p>
10	<p>AOCB</p> <p>Letter from Councillor Paul O'Kane regarding Kirkstyle Lane, Neilston – Chief Executive took members through the content of the letter which had been received last week. The exact status of the letter was now being clarified and a meeting request had been issued to Councillor Buchanan, leader and A Cahill, Director of Environment. Members noted that the Chief Executive had met with I McLean, and confirmation had been provided that BHA would not meet with P Daws regarding alternative sites. Members discussed the issued and agreed that progress at Kirkstyle Lane should continue meantime. Extreme disappointment was expressed in relation to the mixed consultation feedback and extent of Councillor O'Kane's letter including the statement and uncertainty over the SHIP. Members agreed that this situation, if unresolved to our satisfaction, would be referred to the Housing Minister given the difficulties and costs incurred in meeting the Scottish Government's target of 35,000 new homes. Members noted that a reply had been</p>

	issued to Councillor O'Kane meantime.
11	Date of Next Meetings: AGM Thursday 24th Aug 2017 at 7.00pm and Thursday 31st August 2017 at 6.00pm.

Signed by Chairperson: _____

Date: _____