

PENTLAND HOUSING ASSOCIATION BOARD OF DIRECTORS MINUTES

Meeting Number: PHA1920M3

Venue: Board Room, 37-39 Traill Street, Thurso

Time: 5.15pm

Date: Wednesday, 7 August 2019

Present: Jim Hair, Chair
Colin Earnshaw
Mark Whale
Andi Wakeman
Ian McElory
Billy Dunbar
Elaine Forbes
Colin Earnshaw

In Attendance: Corrine Mackay, Acting CEO
Rachel Harness, Corporate Officer
Carol Treasurer, Housing Manager

Observers: None

Leave of Absence: Gavin Powell

Apologies: Bob Bell
James Higney
Fred Fecitt

1. DIRECTORS DISCUSSION

1.1 A private discussion between Board members was held.

[Acting CEO, HM and CO joined the meeting at this point]

2 WELCOME AND DECLARATION OF INTERESTS

2.1 The Chair welcomed everyone to the meeting.

2.2 There were declarations of interest as follows:

- Billy Dunbar is a member of the PCE Board of Directors.
- Colin Macdonald is a member of the PCE Board of Directors.

Chair's Initials

3 MINUTES OF THE PREVIOUS MEETING

PHA1920M3D3

- 3.1 The previous minutes of the Board meeting held on 19 June 2019 were presented to the Board of Directors for approval. The minutes were accepted as a true and correct record. The minutes were proposed by Billy Dunbar and seconded by Ian McElroy. The Chair will sign these minutes at a later date.

RESOLUTION PHA1920M3R1

The Board of Directors approved the minutes of the previous meeting held on 19 June 2019 as a true and correct record. The minutes were proposed by Billy Dunbar and seconded by Ian McElroy. The Chair will sign these minutes at a later date.

Action PHA1920M3A1 The Chair to sign the non-confidential minutes when next available.

4 MATTERS ARISING/ACTION POINTS

PHA1920M3D4

- 4.1 See agenda item 4, document PHA1920M3D4.
- 4.2 The Board requested PHA1819M6A4 is to be merged with PHA1920M2A7 and then closed. The Acting CEO advised the board, Lesley Baird has met with the Tenant Participation Group (TPG) in order to discuss the case study. There will be a follow up meeting with the TPG as they have requested repairs documentation from the Maintenance Officer. The meeting will be scheduled within the next 6 weeks.

PHA1920M2A5 – The Acting CEO advised Scottish Government are phasing out gas boilers being fitted to new homes by 2025, with no new gas boilers being fitted in any home by 2030. The Board has requested the relevant documentation to be circulated.

Action PHA1920M3A2 The Acting CEO to circulate the relevant gas boiler documentation to the board.

PHA1920M2A7 – In line with the closed action PHA1819M6A4, the Acting CEO advised the ESSH and SHQS figures will be presented as part of the Stock Condition Survey. The Estates and Ancillary Manager is to present a dash board for information. Sharon Lennie, Energy Advisor, will advise on possible changes which can be made to properties to ensure the properties standard is met, reducing the number of properties failing standard.

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Action PHA1920M3A3 The EAM to present a dashboard report on EESSH and SHQS to the board for their next meeting in October 2019 as part of the stock condition survey report.

5 INTERNAL CONTROLS ASSURANCE STATEMENT 31/3/19
PHA1920M3D5

5.1 The Acting CEO presented the report to the board in order to provide assurance, initially to the Audit Committee, and subsequently to the board of PHA that it can approve and confidently sign off the Statement on Internal Controls, which forms an important part of the report of the Board of Directors contained within PHA’s Report and Financial Statements for the year ended 31 March 2019.

5.2 The Board were asked to consider for approval the recommendations below -

- That the Audit Committee met on 17 July 2019 and are making recommendations to the board for consideration and approval as detailed in 2.2/2.3 below.
- That the report is approved as a fair reflection of the state of internal controls operating within PHA during 2018/19, and ongoing up to the date of approving the accounts.
- That the attached Statement of Internal Controls is considered and approved, and is recommended to the board of PHA by the Audit Committee for approval and incorporation into the Financial Statements for the year ended 31 March 2019.

5.3 The Acting CEO advised the board the Internal Control Assurance Report and Appendix had been presented to the Audit Committee at their meeting in July, by Joan Williamson, Findlays. The Acting CEO advised the board the internal control assurance report forms the back up for the attached Appendix “The Directors Statement of Responsibility” which is signed off as part of the Financial Statements. The ACEO confirmed the Audit Committee has made their recommendation to the board for their consideration and approval of the Internal Control Assurance Statement.

5.4 A board member highlighted the following within the report;

Action PHA1920M3A4 The wording in paragraph 3.1 needs to be reviewed and amended.

Chair’s Initials

- 4.7 states “PHA have improved” – but what evidence is there to confirm this? The Acting CEO advised that Findlays had carried out system testing as part of the external audit system testing process and noted their approval of the systems in place and progress made in relation to outstanding internal audit recommendations. The ACEO confirmed the MT are addressing the outstanding recommendations and hope to have these complete by March 2020.
- 4.19 states “Medium Engagement” – The Acting CEO advised engagement was had been raised by SHR from low to medium due to the Options Appraisal process and noted the paragraph did not reflect the detail.

5.5 A question was raised in relation to the new Annual Assurance Statement part of the SHR regulatory requirements. The Acting CEO confirmed she was working with Lesley McInnes to set the detail in place and would give the board feedback on progress at their next meeting on 21 August 2019. The Acting CEO advised the board the Final Annual Assurance statement for 2019/20 will be presented to the PHA board at their meeting in October 2019 for consideration and approval.

RESOLUTION PHA1920M3R2

Board of Directors approved the Internal Control Assurance Statement 31/3/19.

5.6 **Impairment Review** – The Audit Committee at their meeting in July 2019 approved scenario 1 of the report to continue to develop the land assets, which represents no change to asset land value on balance sheet. The Audit Committee gave its recommendation for the PHA board to consider and approve.

RESOLUTION PHA1920M3R3

Board of Directors approved scenario 1, assumption to continue to develop land assets for social housing.

5.7 **Draft Set of Accounts** – The Acting CEO advised the PHA that the biggest impact on the accounts was due to increased consultancy costs including the OA process consultancy costs.

The Acting CEO will circulate the accounts via Decision Time along with notes relating to the comments. The accounts will be formally approved at the board meeting held on 21 August 2019.

Action PHA1920M3A5 The Acting CEO to circulate the accounts along with notes prior to the board meeting on 21 August for approval.

Chair's Initials

6 POLICIES FOR APPROVAL
PHA1920M3D6

6.1 The Corporate Officer advised the Board, the policies listed on the agenda had been mistakenly pulled through, the below policies are within their review date.

- Fire Safety Policy
- Confidentiality and Accountability
- Code of Conduct for Staff
- Staff Training

6.2 The board were further advised the Board Induction Policy has been sent to the Data Protection Officer for inclusion of the relevant Data Protection legislation.

6.3 The Corporate Officer asked for board members to consider the below recommendation for approval;

- That the board consider for approval the Board Draft Recruitment Policy for the PHG.

6.4 After consideration, and noting the more complicated marked changes throughout the document, the board requested for the changes to the draft Recruitment Policy to be updated in line with board comments to be uploaded on Decision Time prior to the next board meeting in October 2019, where the final documents would be formally presented for consideration and approval.

Action PHA1920M3A6 The Corporate Officer to upload the updated Board Recruitment Policy onto Decision Time prior to the next board meeting in October 2019.

7 PHA MANAGEMENT TEAM REPORT
PHA1920M3D7

7.1 This report was presented to the board in order to allow the management team to individually report to the board on matters of current interest, new issues “on the horizon” that PHA will need to address, progress on items that the board has been tracking, and to seek some decisions on minor issues that don’t require a full-scale report and its own agenda item to consider.

7.2 The Acting CEO asked the board to consider the below recommendations for approval;

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- That the board consider for approval the Procurement Policy for the PHG.
- That the board note the contents of the information section of this report.
- That the board consider for approval the Association Membership application being presented.

7.3 The Acting CEO advised the PHA board, Helen Barton and Donald Lockhart had assisted in advising on the policy to ensure all relevant information had been collated in line with good practice and legislation. PHA Procurement Policy mirrors RLS's and follows PHA's policies and procedures which have been fed into it.

The Acting CEO confirmed PCE board adopted the policy at their meeting in July 2019, without amendment. The policy is due for review on a three yearly basis.

The Acting CEO confirmed all contractors and staff will assisted with training in line with the policy.

The Board were advised there would be no significant impact to local contractors; the application process being set in place meets regulatory expectations, fair and is transparent to all. All contractors throughout Scotland can review the tenders advertised by PHA on the Procurement Scotland website and submit tenders which would be assessed in line with the tender. The Procurement Policy follows our Tendering Policy allowing for small tenders to be carried out with the portal.

The ACEO confirmed training for the contractors would be set up as soon as sourced.

The ACEO confirmed our approved contractor list would be reviewed also.

A board member highlighted the following section in the policy for amendment;

- 5.4 – A sentence requires to be completed by the Acting CEO.

Action PHA1920M3A7 The Acting CEO to amend and circulate the updated paragraph to the board prior to their next meeting in October 2019.

Chair's Initials

- 7.4 The Board approved the Association Membership Application made by Anita Jamieson.
- 7.5 The Board approved Anita Jamieson to be Co-opted onto the PHA board of directors.
- 7.6 The board noted the rest of the report as information only.

RESOLUTION PHA1920M3R4

Board of Directors approved the Procurement Policy subject to paragraph 5.4 of the report being amended in line with board comments.

RESOLUTION PHA1920M3R5

Board of Directors approved the Association Membership Application made by Anita Jamieson.

RESOLUTION PHA1920M3R6

Board of Directors approved Anita Jamieson as a Co-optee onto the board.

8 Q1 GOVERNANCE COMPLIANCE

PHA1920M3D8

- 8.1 To purpose of the report to set out statements of assurance from members of the management team for the each of the areas of activity that Pentland Housing Association (PHA) has complied in line with regulatory obligations.
- 8.2 The Board of Directors were asked to consider the below recommendations for approval;
- That board members note the contents of this report for information.

8.2 The Board approved the Governance Compliance as information only.

RESOLUTION PHA1920M3R7

The Board of Directors approved Q1 Governance Compliance.

9 Q1 PERFORMANCE REPORT

PHA1920M3D9

- 9.1 The Q1 performance report was presented by the Acting CEO in order to allow the management team to charter progress on items that the board has been tracking.

Chair's Initials

- 9.2 The Board were asked to consider the following recommendation for approval;
- That the board note the progress the KPI's and Business Plan Progress for quarters 1 & 2 will be uploaded to Decision Time and presented for formal minute at their meeting in October 2019.
 - That the board notes the detail of the quarter 1 accounts to 30 June 2019.

9.3 The Acting CEO advised the Management accounts in place reflects very little movement within the quarter.

The Acting CEO gave an overview the budget verses the actual figures confirming the breakdown of operating costs are as detailed in the presentation.

A question was raised regarding bad debts and which the Acting CEO confirmed the bad debt provision detailed was in line with budget allocation and is reviewed at the end of the financial year –normal provision accounting for 1% of the rental income. The Housing Manager also advised that there are procedures and policies are in place to recover bad debt but advised former arrears are much more difficult to recover as cost of persuing the bad debt often outweighing the debt itself. The HM confirmed tenants are aware that bad debt is recorded on their file which may put them at risk when bidding on other properties. The HM confirmed a “write off” report is provided in March as part of policy and procedures.

9.4 The Acting CEO advised the Board KPI's and Business Plan are being reformatted and updated with detail in line with the OA process therefore will be presented to the board at their meeting in October 2019. The Risk Map in being updated in line with the Options Appraisal. The Risk Map will be presented to the Audit Committee initially for review and presented to the PHA board in November 2019.

Action PHA1920M3A8 The Acting CEO to present the PHA Board with reformatted KPI's and Business Plan for their meeting in October 2019.

Action PHA1920M3A9 The Acting CEO to present the PHA Board with reformatted Risk Map in November 2019 after it has been reviewed by the Audit Committee.

*RESOLUTION PHA1920M3R8
The Board of Directors approved the Management Accounts to 30 June 2019.*

Chair's Initials

10 ACTION PLAN COVER REPORT

PHA1920M3D10

- 10.1 The Acting CEO presented the Action Plan Cover Report in order to allow management team to charted progress on items that the board has been tracking.
- 10.2 The Board were asked to consider the following recommendations for approval;
- That the board note the contents of the information section of this report.
- 10.3 **Internal Audit Action Plan** – The plan has been updated to reflect completed actions archived. The Management Team are looking to have 40-50% of the current actions completed by 2019/20. The action plan will be reviewed before the onsite visit of Findlay's in September 2019.
- 10.4 **Staff Action Plan** – The Acting CEO advised the board the staff action plan has been updated with completed actions being archived. The Acting CEO has liaised with the Chair of the Staff Action Group (SAG), combined with the Staff Suggestion Group, with regards to the open actions. The Chair of SAG has reported the group are more focused now as the old actions have been closed. The SAG will continue to liaise with all the departments to provide an update on the plan and input to address the remaining actions.

The plan will be updated in line with the feedback from the IIP survey, the feedback given may match with the actions current detailed. The Acting CEO advised current staff have accepted the plan in place and the feedback given by the SAG and Management Team.

- 10.5 **Equalities Plan** – There was no update for this plan.

11 THEMATIC CASE STUDY

PHA1920M3D11

- 11.1 No Thematic Case Study was available for the meeting. Tenant Participation Group are to provide feedback for next board meeting in October 2019 for discussion.

Chair's Initials

12 TRAINEE PILOT SCHEME
PHA1920M3D12

- 12.1 The Corporate Officer advised the board, this item allowed for the trainees to feedback on their progress and allow them to formally write a quarterly report for the board under the MT Report.

As present there is no feedback from the trainees.

Action PHA1920M3A10 The Corporate Officer to detail the trainee pilot scheme under the Management Team report for quarterly board meetings. The trainees to provide a report for Q2.

13 AUDIT COMMITTEE NOTES (AC) – Wednesday, 17 July 2019
PHA1920M3D13

- 13.1 The minutes would be circulated to the board when available.

Action PHA1920M3A11 The Corporate Officer to circulate the Audit Committee notes from 17 July 2019 to the board when available.

14 PENTLAND COMMUNITY ENTERPRISE (PCE) – Wednesday 12 JUNE 2019 and Wednesday 24 July
PHA1920M3D114

- 14.1 The board noted the minutes for Wednesday 12 June 2019 as draft.
14.2 The Corporate Officer will circulate the minutes for Wednesday 24 July 2019 when available.

Action PHA1920M2A12 The Corporate Officer to circulate the minutes for PCE’s meeting on Wednesday 24 July 2019 when available.

15 HEALTH AND SAFETY (HS) – WEDNESDAY 15 MAY 2019
PHA1920M2D15

- 15.1 The board noted this agenda item as information only.
15.2 The Corporate Officer to amend the H&S minutes in line with the Chair’s comment of a misspelled board members name.

Chair’s Initials

Action PHA1920M3A13 The Corporate Officer to amend the H&S minutes from the 15 May 2019 in line with the misspelt board members name (Mark Whale, Ian McElroy and Colin Macdonald)

16 ANY OTHER BUSINESS

16.1 Signatories – The Corporate Officer asked the board for signatories ahead of the AGM. Three board members, Mark Whale, Ian McElroy and Colin Macdonald, have been delegated as PHA signatories and the CO confirmed the Finance Officer would contact them both in due course.

Action PHA1920M3A14 The Corporate Officer to pass on the signatories details to the Finance Officer who will liaise with the board members in due course.

16.2 **MinutePad/Decision Time** – The Corporate Officer advised board members, MinutePad are now trading under the name Decision Time. The Corporate Team will now refer to the system as Decision Time.

16.3 **Website** – The Corporate Officer is to send the board the redesigned PHA website for Board comment prior to their meeting in October 2019, where the Corporate Officer will be presenting the detail for approval.

PCE will have a temporary page on the PHA website until further notice.

Action PHA1920M3A15 The Corporate Officer to circulate the website link in order for board members to comment on the new design prior to the CO seeking approval at their meeting in October 2019.

16.4 **Potential Board Members** – The Acting CEO advised the board of two potential board members for recruitment, David Goldie Highland Council in Inverness and Glen Adcook from Osprey Housing Association. The Acting CEO has approached the potential members and is awaiting response.

Upon confirmation of interest, the potential board members CV's are to be circulated for information as requested by the board.

Chair's Initials

The Acting CEO reminded the PHA board those standing downs following on from the AGM and the importance of addressing the skills and knowledge gaps within the board.

PCE will be reviewing its independent member recruitment process in line with the PHA board stand downs.

17 CONFIDENTIAL ITEMS

17.1 Confidential minutes can be found in confidential PHA1920M2D16

18 FUTURE MEETING DATES

18.1 The following future meeting dates were agreed at the PHA Board held on 20 March 2019:

- Wednesday, 2 October (was previously 25 September 2019)
- Wednesday, 6 November 2019
- Wednesday, 11 December 2019
- Wednesday, 29 January 2020
- Wednesday, 11 March 2020

19 TIME MEETING CLOSED

19.1 The meeting closed at 6.20 pm

Chair's Initials