



Minute of the Board of Management Meeting of Muirhouse Housing Association on Monday 11 November 2019 at the Village Hotel.

Present Bob McDougall (Chair) Iain Strachan (Vice Chair)
 Roy Douglas Steven Prevost
 Julie Smith Martin Thoronka
 Pascale Adriaens (on 'Zoom') Eric Hollanders (on 'Zoom')

In Attendance Stevie McAvoy (Chief Executive)
 Barry Allan (Finance and Corporate Services Manager)
 Ainan Groat (Housing Services Team Leader)
 Paula Mcvay (Asset Management Officer)
 Grit Nielsen (Corporate Services Team Leader) - Minute

The meeting Started at 18.50

Ref.	Item	Action
	GOVERNANCE	
1.	CHAIR'S OPENING REMARKS Bob welcomed everybody to the meeting and gave special mention to Eric and Pascale who had joined the meeting remotely and were able to view the meeting through a web camera. Bob mentioned that Helen was unwell due to an injury and had asked for a leave of absence. The Board agreed a leave of absence for Helen, due for review in February. Stevie mentioned that Willie was also unwell and had asked for a leave of absence. The Board agreed a leave of absence for Willie, due for review in February.	
2.	DECLARATIONS OF INTERESTS Roy, Martin and Bob for MH4.	
3.	APOLOGIES Ann and Karen.	
	REPORTS AND MINUTES (FOR APPROVAL)	
4.	MINUTE OF PREVIOUS MEETING ON 17 OCTOBER 2019 A Board Member suggested an amendment to page 5, paragraph 2 where it should say 'intend' rather than 'attend'. Another Board Member suggested rewording the sentence about 'traffic light' on the same page to improve its sense. It was also suggested that it should be clarified under item 1 that Bob took the Chair after he was elected.	GN



Ref.	Item	Action
	<p>The Board approved the minute as a true record, subject to the amendments above.</p>	Approved
	<p>Proposed by Steven, seconded by Iain.</p>	
5.	<p>SCHEDULE OF MATTERS ARISING Stevie mentioned that we have received a letter from the Scottish Housing Regulator who will visit us in January to carry out an inspection of our self-assurance statement and governance self-assessment process.</p>	Noted
	<p>A Board Member noted that the Board had been informed about deferring the review of the Value for Money Strategy but asked that the Board endorse this. The Board agreed to defer the review of the Value for Money Strategy until February.</p>	Agreed
6.	<p>QUARTERLY MANAGEMENT ACCOUNTS Barry spoke to the accounts advising the Board that these have been reviewed by the Audit and Risk Committee already. Barry noted that we are over budget for void repairs this quarter by nearly £13k. Barry further advised that a large cost had been incurred in major repairs due to an immediate risk to safety for tenants in one property. Despite not normally being a service MHA provides, we had to respond urgently due to the severity of the risk. A Board Member queried rechargeable repairs and whether we make use of it. Barry advised that we have not made much use of this, but we will be doing so going forward. Barry advised that we have 66% of our stock secured against our loans with Bank of Scotland. A new valuation of our property has taken place and the draft value of our stock has gone up by approximately 35% to £16.6 million. This led to a Board discussion on our current loans and the possibility of negotiating better loan agreements as a result of this property valuation, and that the bank should require less of our stock as security now that the evaluation has risen. A Board Member advised that we check the covenants to make sure they do not prevent us from approaching other lenders, and if they don't, we could let the bank know that we will be looking at options. Stevie reminded the Board that we have had support from both Rathbones and Paul McNeill when we refinanced our loans in February because we had high rates on our loans historically, but also on our most recent loan because we have not been in</p>	



Ref.	Item	Action
	<p>a good position to negotiate. That has changed and we can consider whether having just one lender is the best solution going forward. However, for now we have to consider that the breakage costs would be significant if we change lenders.</p>	
	<p>Stevie noted that he would forward the information relating to the loan refinancing to Pascale and Eric.</p>	SM
	<p>The Board approved the MHA Quarterly Management Accounts to 30 September 2019.</p>	Approved
	<p>The Board noted the MH4 Quarterly Management Accounts to 30 September 2019.</p>	Noted
7.	<p>QUARTERLY PERFORMANCE REPORT</p> <p>Ainan spoke to the report advising the Board that it had been a good quarter in terms of rent arrears, but that we normally see an increase in arrears for the upcoming quarter. Ainan further advised that there had been an increase in the average days to re-let a property, which was due to a property that had been considerably damaged. Board asked if there were any learning points from the experience. Ainan confirmed that we had worked closely with the tenant and followed all policies and procedures.</p> <p>A Board Member queried how we report on repairs in section 2.2 of the Performance Report and whether how we do it provide us with the right information. Ainan advised that we report on repairs performance in the same way we report it to the Annual Return on the Charter to the Scottish Housing Regulator. However, it is possible to change our internal reporting as there are other repairs performance figures available if the Board decide these are useful.</p> <p>A Board Member asked whether we penalise contractors that do not meet the timescales. Paula advised that we do not currently do this, we work on early intervention and good communication with our contractors. Failure to meet timescales often relates to contractors having to buy in parts.</p> <p>A Board Member noted that we have breached our target for non-technical arrears, which is 2% with a performance of 2.04% and that we should consider how we address this. Stevie advised that it is a bit early still for us to understand the full impact of Universal Credit and how it affects us and likewise how we need to adjust our targets, but that this would be a discussion for the end of the financial year.</p>	



Ref.	Item	Action
	<p>A Board Member suggested that the Risk Register should be updated to reflect the breach of the target as a risk we have taken into consideration.</p>	BA
	<p>The Board approved the Quarterly Performance Report to 30 September 2019.</p>	Approved
8.	<p>MHA-MH4 INTERCOMPANY LEASE</p> <p>Barry advised the Board that the lease agreements had been reviewed by our solicitors and by the MH4 Board.</p> <p>A Board Member noted that the use of the word 'gender' should be changed to 'sex' as this is one of the protected characteristics under the Equality Act.</p>	BA
	<p>The Board had a discussion around how MHA can get a sense of how MH4 is operating and whether the company is operating competitively and generating a profit. Barry advised that the annual review of operations capture some of this. A Board Member also mentioned that the minutes from MH4 meetings are useful as they reflect the ongoing discussions the MH4 Board has about being competitive. It was noted that the lease agreement on page 72 mentions the aim to minimise void costs rather than the aim to maximise profit and perhaps that is the wrong incentive. Another Board Member noted that the overarching directive from the parent company, MHA, is to adopt a social conscience, and that this is taken into considerations during discussions and decision-making.</p>	
	<p>A question from a Board Member prompted Stevie to clarify that the 75% rent payable by MH4 is 75% of the actual income, not the estimated income. Barry advised that this is how it has been done since MH4 was created and that the management fee has always been a flat fee. Barry advised he could do some further calculations on profit-loss comparisons and provide these to the Board at the Strategy Day. The Board agreed it would be beneficial to have discussions around this, also in terms of having a review of the versus the financial aspirations of MH4.</p>	BA
	<p>A Board Member noted that page 75, paragraphs 19.2 and 3. were confusing to the reader. The Board agreed that it should be reworded to say 'may' rather than will, leaving us more opportunity to decide.</p>	SM
	<p>A Board Member noted that page 75, paragraphs 19.2 and 3. were confusing to the reader. The Board agreed that it should be reworded to say 'may' rather than will, leaving us more opportunity to decide.</p>	BA
	<p>The Board approved the lease agreements subject to the amendments above.</p>	Approved



Ref.	Item	Action
9.	<p>INTERNAL AUDIT ON RISK MANAGEMENT</p> <p>Barry spoke to the report, advising the Board that the audit report had been reviewed by the Audit and Risk Committee. This was the first audit assignment for BDO since they were appointed and Barry noted that they had expressed satisfaction with our risk management framework, although there were 6 recommendations for improvement in the report.</p> <p>A Board Member noted that this was a good report, and credit should be given to staff for the result because the recommendations are all procedural and can be addressed fairly easily.</p> <p>The Board noted the importance of keeping training records to keep track of what training staff have attended.</p> <p>The Board approved the Internal Audit Report on Risk Management including the Management Responses.</p>	Approved
10.	<p>BIANNUAL UPDATE ON ASSET MANAGEMENT</p> <p>Paula spoke to the report advising the Board on the improvement work that has taken place in the last 6 months. A Board Member asked about the community benefits provided by the window contractor. Paula advised that they had funded training for an employee at Low Income Families Together at the Millennium Centre.</p> <p>The Board noted the update on Asset Management.</p>	Noted
11.	<p>HR & HS POLICIES</p> <p>A Board Member asked whether staff had seen the Absence Management Policy and what they thought of it. Grit advised that the policy has been in place since 2016 and that this updated version only has minor operational changes.</p> <p>The Board agreed that the Personal Relationships Policy should make reference to the agreement already in the Standing Orders about Board Members in a relationship not being Office Bearers at the same time.</p> <p>A Board Member noted that in the equality sections of each policy the word 'gender' should be changed to 'sex' in line with equalities legislation.</p> <p>The Board approved the Absence Management Policy, the ICT Policy, the Personal Relationships Policy and the Adverse Weather Policy, subject to the amendments above.</p>	<p>GN</p> <p>GN</p> <p>Approved</p>



Ref.	Item	Action
12.	<p>DONATION REQUEST FROM PYCP</p> <p>Ainan advised the Board that Pilton Youth and Children Project had requested a donation of £840 allowing them to arrange a trip to the Winter Wonderland for youths aged 12-18.</p> <p>The Board discussed the donation request and agreed that it should be increased to £1,000.</p> <p>The Board had a discussion around authorisation limits for the Chief Executive. Ainan advised that our policy currently has a £500 limit for the Chief Executive to sign off on. The Board agreed that the policy should be updated to allow the Chief Executive to sign off on donations requests up to £1,000. The Board asked for reports on what donations have been given out.</p> <p>The Board approved the donations request from PYCP, increasing the amount donated to £1,000.</p>	<p>Agreed</p> <p>AG</p> <p>Approved</p>
13.	<p>FREEDOM OF INFORMATION (SCOTLAND) ACT</p> <p>Ainan spoke to the report, advising the Board on the work we have undertaken to prepare for the implementation of Freedom of Information (Scotland) Act.</p> <p>The Board approved the Freedom of Information and Environmental Information Policy.</p> <p>The Board noted the Publication Scheme and the Guide to Information.</p>	<p>Approved</p> <p>Noted</p>
	<p>REPORTS AND MINUTES (FOR NOTING)</p>	
14.	<p>ANNUAL LANDLORD REPORT</p> <p>Ainan advised the Board that we use the report from the Scottish Housing Regulator, but that we adapt the report format in consultation with our tenants.</p> <p>The Board discussed the content, in particular the rent levels and how the national comparison may give the impression that our rents are high, however if compared to rent levels in Edinburgh we are in fact very cheap. The Board would like this to be reflected in our reporting. Stevie noted that we could do a comparison towards average rent levels in Edinburgh.</p>	<p>AG</p>
15.	<p>QUARTERLY GOVERNANCE REPORT</p> <p>Barry advised the Board that following the audit on risk management and the discussions at the recent Audit and Risk Committee meeting we have added a separate risk for Brexit</p>	



Ref.	Item	Action
	<p>readiness. The Board noted that there are still so many uncertainties around Brexit that it is important to keep it in sight as a separate risk.</p> <p>The Board had a discussion about how to ensure that key risks are monitored and discussed sufficiently by the Board and agreed that the Quarterly Governance Report had a good format to allow for discussion but it would be beneficial to get the report as a 'stand-alone' without a cover report, to allow Board to focus on the content of the report.</p> <p>A Board Member noted that Eric had not attended the Audit and Risk Committee meeting in July 2018, as he had not joined the Board at that point.</p> <p>The Board noted the Quarterly Governance Report to 30 September 2019.</p>	<p>GN</p> <p>GN</p>
16.	<p>PROJECT PLAN FOR THE BUSINESS PLAN</p> <p>The Board noted the proposed timescales for reviewing the Business Plan for the upcoming week. It was noted that the planned workshop for the Audit and Risk Committee to discuss rent scenarios would instead be incorporated into the Strategy Day.</p>	<p>Noted</p>
17.	<p>DRAFT MINUTE OF THE SSC MEETING ON 15 OCTOBER</p> <p>The Board noted the minute from the Staffing Subcommittee meeting on 15 October 2019.</p>	<p>Noted</p>
18.	<p>DRAFT MINUTE OF THE MH4 BOARD MEETING ON 21 OCTOBER</p> <p>A Board Member queried the decision to increase service charges by 5%. Stevie advised that this is to recoup costs. The Board noted the minute of the MH4 Board meeting on 21 October 2019.</p>	<p>Noted</p>
19.	<p>MINUTE OF THE AUDIT AND RISK COMMITTEE MEETING ON 28 OCTOBER</p> <p>The Board noted the minute of the Audit and Risk Committee meeting on 28 October 2019.</p>	<p>Noted</p>
20.	<p>MHA WORK PLAN 2019-20</p> <p>The Board noted the updated work plan for 2019-20.</p>	<p>Noted</p>
21.	<p>AOB</p> <p>Stevie suggested that we merge the Strategy Day on 7 December and the Board meeting on 16 December, so they will both take place on 7 December. This was agreed.</p>	<p>Agreed</p>



Ref.	Item	Action
25.	<p>A Board member suggested that based on experiences from another RSL we can cut down the time it takes to have a Board Meeting by not starting each item with a summary of the report Board has received. Instead, we could assume that Board Members have read their Board Members and move straight to discussion. This was agreed.</p> <p>DATE OF NEXT MEETING 07 December 2019</p>	Agreed

The meeting closed at 20.55.