

## Board Minutes

Name of Meeting	Board	Date of Meeting	26 March 2018
Venue of Meeting	CVG Office, 50 Scott Street, Motherwell, ML1 1PN	Time of Meeting	5.15pm

### 1. Sederunt and Apologies

1.1 A Murray (Chair), W Kelly, C Boyd, L Usher, J Fair, A Baird, K Luscombe, E Harkins.

D Milton (Chair CVPS), Mike Campbell (Vice Chair CVPS), Walter Dunlop, John McKenzie (CVPS members) –in part Agenda Item 5.

#### In Attendance

L Wassell, S MacDonald, C Garmory, J Turnbull, K Morrison, J Armit (Minute).

### 1.2 Apologies

Apologies were noted from A McFarlane and I McGowan.

### 2. Declaration of Interest

2.1 L Usher declared the lobbying act as a conflict of interest, as she is CEO of another Registered Social Landlord (RSL). L Wassell undertook to check this out.

### 3. Minutes of Previous Meeting

3.1 The Board approved the minute of the meeting held on 11 December 2017, on a proposal by A Baird, seconded by K Luscombe.

### 4. Action Log

#### 4.1 Agenda Item 9.4 – Amendment of SHR Regulatory Framework Self-Assessment

4.1.1 It was suggested the framework self-assessment should include ‘traffic light’ system similar to that of the Performance Report to show progression of actions. The Internal audit to be carried out of self-assessment once new audit contract in in place from April 2018 (Q1). This change would be proposed with other audit recommendations.

4.2 All other actions have been completed and closed off, there are no more outstanding.

### 5. Presentation by CVPS – Annual Report

5.1 A Murray handed the meeting over to D Milton, Chairperson of Clyde Valley Property Services to present the CVPS Annual Report for 2016/17 and overall ambitions for the year ahead.

5.2 D Milton thanked the Parent Board for the opportunity to present and update on the works of CVPS and introduced her fellow Directors in attendance – Vice-Chair, Mike

Campbell; Walter Dunlop and John McKenzie. It was noted there was currently a vacancy on the Board, and CVPS will be considering when/if to recruit particularly in the light of point 5.6 below.

- 5.3 The presentation provided a positive summary and performance position of the 3 sub-brands of Clyde Valley Property Services – Nova Property Management Services, Avant Letting Services and Gravity Consultancy Services. In addition, the presentation included past and current financial information as well as future projections for the company.
- 5.4 On completion of the presentation, Members praised the work CVPS have done to achieve positive results. It was also acknowledged that further engagement, both professional and personal was welcomed by both Boards and consideration would be given to ensure that this continued, prior to a strategic discussion session.
- 5.5 Overall the Parent Board noted the positive impact of CVPS and the services being provided to positive benefit of the Group. It was recognised that there has been some significant improvement on performance and has allowed the overall Group to deliver mixed tenure options for growth and engage in opportunities, which would otherwise not be able to be progressed within CVHA.
- 5.6 D Milton advised the Parent board that CVPS welcomed the changes to the Intra-group Agreement including the Parent Board attendance at CVPS meetings (by Andrew McFarlane). At the CVPS meeting earlier, there had been a request for clarification on the new clause controlled subsidiaries before signing and this will be brought back for final approval.
- 5.7 With no further questions, A Murray thanked D Milton and CVPS Board Members for their attendance and participation at the meeting.

*D Milton, M Campbell, W Dunlop and J McKenzie left the meeting at this point.*

**6. Annual Budget – 2018/19 – Confidential**

This item is confidential

**7. Refinancing Report – Confidential**

This item is confidential

**8. a)Section 107 consent & b)Standard Securities – Confidential**

This item is confidential

**9. Business Plan 2018 – Confidential**

This item is confidential

**10. Asset Management Strategy**

- 10.1 The above report was presented to Members to seek approval for the CVG Asset Management Strategy and related documents and for the Action Plan for delivery in 2018/19.
- 10.2 It was noted the Asset Management Strategy has been divided into 4 distinct documents and follows a similar approach that has been previously adopted. These are:

- CVG - Asset Management Strategy
- CVG - Asset Management Strategy - Portfolio Management
- CVG - Asset Management Strategy - EESSH 2020 Strategy and Delivery Plan
- CVG - Asset Management Strategy - Action Plan

10.3 A Baird commented on the documents and how these were comprehensive and included a lot of information. A Baird also enquired on secure by design standards in relation to the Group's new build developments and how developments were designed to benefit the ageing population. J Turnbull confirmed all our developments are to suit the needs of all our customers and confirmed there are specific grants available from the Scottish Government for any additional works needed. We adopt secure by design standards and invest some £250k per annum in aids and adaptations. There are showers/wet floors in 80% of our new build homes.

10.4 A Murray commented on the amount budgeted for cyclical painting works and was questioned if this would include works within communal areas etc. J Turnbull confirmed these works budgeted were for properties with railings/balconies only.

10.5 Following discussion the Board approved the following:

- The Asset Management Strategy,
- CVG - Asset Management Strategy - Portfolio Management
- CVG - Asset Management Strategy - EESSH 2020 Strategy and Delivery Plan
- CVG - Asset Management Strategy - Action Plan 2018/19

on a proposal by A Baird, seconded by C Boyd.

## **11. Internal Audit Plan 2018-2021**

11.1 K Morrison presented the above report to Members to seek approval of the Internal Audit Plan for 2018-2021 and welcomed discussion.

11.2 It was noted the Association's current Internal Audit contract with TIAA is due to end on 31 March 2018. Following discussions at the Audit & Risk Committee in November 2017 it was agreed that the Chief Executive would retender the contract and ensure continual improvement, policy, regulatory and legislative compliance, and to ensure best practice learning from other organisations.

11.3 At its meeting on 26 February 2018 the Audit & Risk Committee approved the appointment of Wylie & Bissett as Internal Audit providers to both Clyde Valley Housing Group and Lanarkshire Housing Association following a joint procurement exercise.

11.4 K Luscombe enquired if this contract would be renewed after 3 years with Wylie & Bissett, K Morrison confirmed performance would be reviewed regularly and at the end of the contract.

11.5 Following discussion, the Board approved the Audit Plan on a proposal by C Boyd, seconded by A Baird.

*A Baird left the meeting at this point.*

## **12. New Supply Programme – Quarter 4 Update -Confidential**

## **13. Review of New Build Development Procedures – Confidential**

## 14. Governance Excellence Plan, including Independence Agreement

14.1 L Wassell presented the above report to the Board to consider:

- The annual Board Excellence Plan.
- A revised Independence Agreement between CVHA and CVPS.
- Revised Financial Authority levels and a progress update on reviewing the Scheme of Delegation.

14.2 It was noted a discussion paper was circulated to all trustees in April 2017, which included the findings from the 2016 appraisals and a range of potential areas for future Board review. This was followed by a Board paper for a Board Excellence Plan which was approved on 26 June 2017. The 3 key themes of this plan were:

- Regulatory Standards of Governance and Financial Management: Self-Assessment
- Regulatory Standards of Governance and Financial Management Standard 6: The governing body and senior officers have the skills and knowledge they need to be effective.
- Regulatory Standards of Governance and Financial Management Standard 4; The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

14.3 Members agreed that the Board Strategy Day in April with CVPS Members would be an important day to discuss the strategic focus for the group. Following Board member discussion around future timing for appraisals and a suggestion from North Star it was also agreed that the Chair would undertake a mid-year less formal review by telephone/email around November 2018 and formal annual appraisals would be held by June 2019 in advance of the AGM and annually thereafter.

14.4 L Wassell presented the revisions to the Independence Agreement. C Boyd commented that it was important to establish what the definition of controlled subsidiaries means i.e. how is 80% of 'activity' measured. This echoed D Milton's earlier comments on CVPS feedback.

14.5 L Wassell outlined the changes to Financial Authority levels, linked to the earlier approval of Campbell Tickell's recommendations. A Murray suggested it is made clear where Board approval applies (i.e. above Chief Executive's approval thresholds).

14.6 Following discussion the Board:

- (i) Approved the Board Excellence Plan 2018/19;*
- (ii) Approved the revised CVHA/CVPS Independence Agreement; subject to CVPS and now CVHA requesting clarification on the definition of a controlled subsidiary;*
- (iii) Approved the proposed changes to Financial Authority Levels; subject to the agreed amendment being made;*
- (iv) Noted that a revised Scheme of Delegation will be presented to the Board in May 2018*

on a proposal by C Boyd, seconded by W Kelly.

## **15. Mortgage to Rent Disposal – Confidential**

This item is confidential

## **16. Performance Report**

16.1 K Morrison presented the Performance Report to Members to detail the Performance Management Report for 2017/18, up to the end of Quarter 3 for the Board to review and consider.

16.2 The Association has a Performance Management Framework in place to ensure that the organisation monitors performance effectively across a range of headline indicators, maintaining a high degree of control of the Group's affairs while aiming to continually improve performance. This is done in a number of ways and is set out in the Framework.

16.3 C Boyd enquired about the current number of customers we have on Universal Credit and the amount this would rise to when this is rolled out for North Lanarkshire in April 2018. K Morrison confirmed that, in a further update to the information provided in the report, as of today there were 182 customers on UC, of which 133 were in arrears. UC arrears amounted to £97,000 which equates to an average debt per claimant of £734. KM advised that both the DWP and CVHA had put into place mitigation to reduce as far as possible rent arrears, included Managed Payment to Landlord (housing costs direct to CVHA), however future arrears projections could not be easily and accurately predicted at this time.

16.4 Following discussion, Members noted the contents of this report.

## **17. Strategic Risk Register -Confidential**

17.1 The above report was presented to Members by L Wassell to outline the Strategic Risk Register and welcome any discussion.

*L Usher left the meeting at this point.*

## **18. Committee Reports**

### **18.1 Finance Committee**

18.1.1 Members noted the minute of the Finance Committee meeting of 15 February 2018. It was noted that the minute will be considered by Committee at their next meeting on 17 May 2018.

### **18.2 Audit and Risk Committee – Confidential**

This item is confidential

## **19. Any Other Business**

19.1 None.

## **20. Date of Next Meeting**

20.1 The date of the next meeting will be 21 May 2018.

With no further formal business the Chairperson thanked Members for their input and formally closed the meeting.