

MINUTES OF THE COMMITTEE OF MANAGEMENT MEETING
of
SERVITE HOUSING ASSOCIATION
held on MONDAY, 21st JUNE, 2010 at 5 p.m.
at 118 STRATHERN ROAD, BROUGHTY FERRY, DUNDEE

Present: Bill Robertson (Chairman)
Alistair Barrie
Bill Hunter
Bob Ward
Lindsay Darroch
Mark Gallacher
Simon Little

In attendance: Julie Cosgrove Chief Executive (CExec)
Andrew Kilpatrick Business Development Director (BDD)
Tim Calderbank Housing Services Director (HSD)
Ron Hunter Finance Director (FD)
Mary Walker (Minute Secretary)

The Chairman welcomed Andrew Murray from the Watts Group.

Andrew Murray (AM) thanked the Committee for inviting him to make the presentation. AM outlined the basis of the stock condition survey and commission from Servite:

- review 20% of Servite's total stock information on Scottish Housing Quality Standards (SHQS)
- gather cost information for 30 year life cycle cost plan
- review current asbestos information
- review properties in relation to Disability Discrimination Act

Of the 1700 Servite properties the vast majority were built post 1982. Individual letters were sent to Servite tenants and the surveyors also carried a letter of authority. 20% amounted to 342 units and various types of properties and house types were surveyed. Access was gained to 70% of the designated properties and 30% of tenants were not available.

The surveyors produced 450 individual spreadsheets. In reply to a query AM advised that the inspections were conducted from the ground level, although access was obtained to loft spaces. External and internal areas and internal facilities, energy efficiency and aspects of health and safety and security were all considered.

AM outlined the main findings:

- overall the stock condition was good
- some indication of roof repairs to remove moss, gutters needing cleaned and some external decoration
- some kitchens failed due to lack of storage and insufficient sockets

The total estimated figure for 100% of properties to meet the SHQS is £215,000 based on what work would be necessary over the next five year period. The estimated costs based on the survey results, over a 30 year period would amount to £52,500,000. In reply to a query

the BDD advised that these costs were pretty much in line with previous estimates over the 30 year period, and were in line with our budget assumptions.

AM advised that asbestos information had been reviewed and some suspect material had been found at 17 sites. He stated that there was some work still to be done in order to update the asbestos register and they may have to take further samples. It was queried whether asbestos was prevalent in houses or common areas and AM stated it was probably 50/50. AM advised that if it was in houses it would have to be included on the asbestos register but it does not need to be touched. The BDD stated it would also have to be linked up in the QL directory and contractors advised where it was present.

In relation to the Disability Discrimination Act, AM advised that improvements were required to outside ramps at St. Ninians Court, Alyth and William Rodger Drive, Montrose.

Regarding health and safety and security some fence lines could be moved. Also the common door security at St. Ninians Court in Alyth would require to be upgraded to comply with SHQS.

There was a noise problem in the properties at Aberfeldy. SCARF had reviewed these and recommended the windows could benefit from draughtproofing.

The Chairman thanked AM for his presentation and stated that the results of the survey should prove encouraging for the Committee.

48/10 APOLOGIES

Apologies were received from Ian Purvis, David Logan, Tom Potter and Ken Martin.

49/10 DECLARATIONS OF INTEREST

None.

50/10 MINUTES OF PREVIOUS MEETING : 19th APRIL, 2010

It was proposed by Alistair Barrie that the Minutes be adopted as a true and accurate record of the meeting and this was seconded by Simon Little. The Minutes were duly adopted and signed by the Chairman.

ACTION LIST

It was queried whether the item relating to Keswick Terrace, Kirkton, Dundee should be removed as a decision from the Scottish Government about our application for additional funding did not appear to be forthcoming. The BDD advised a meeting had taken place recently and he still hoped to obtain a response.

MINUTES OF CONFIDENTIAL ITEMS : 19th APRIL, 2009

It was proposed by Alistair Barrie that the Minutes be adopted as a true and accurate record of the confidential items discussed at the meeting and this was seconded by Simon Little.

MINUTES OF CONFIDENTIAL ITEMS : 31st MAY, 2010

It was proposed by Simon Littler that the Minutes be adopted as a true and accurate record of the confidential items discussed at the meeting and this was seconded by Alistair Barrie.

51/10 MATTERS ARISING

None.

Confidential Items for DISCUSSION and/or APPROVAL

52/10 CHIEF EXECUTIVE'S REPORT

2.0 Bowerswell Memorial Homes (Perth) Ltd.

The CExec advised that finally all the formalities of the Transfer of Engagements (ToE) process had been completed and formal notification had been received from the Scottish Housing Regulator (SHR) that the ToE had been approved. All that was now required were the final audited accounts and approval obtained from the Office of the Scottish Charity Regulator (OSCR) for the transfer of assets and any liabilities to Servite.

4.0 Scottish Government – Housing: Fresh Thinking, New Ideas

The CExec stated that she would appreciate input from the Committee on what our response should be to the Scottish Government's recently published discussion paper on the future of housing policy in Scotland and proposed holding a meeting of 3 / 4 Committee Members to spend perhaps two hours reviewing the document. It was agreed that the CSO would contact Committee Members to arrange a suitable date and time.

6.0 Preferred RSL Partners

The CExec advised that they were now in the process of submitting bids to Dundee and Angus and Servite has been invited by Highland Region to participate in their joint collaborative approach incorporating the 5 RSL's in that area. She stated that she and the BDD had a meeting with Allan Maguire, the Head of Housing Development and Housing Convener, Margaret Davidson, on Wednesday.

The closing date for submission for the Dundee and Angus preferred developer bids is 30th July and the Highland Region 14th August.

The CExec advised that the Project Board of Domus met this afternoon and the BDD is preparing the first part of the Business Plan.

The CExec stated that the main point of discussion amongst partners in Domus is around the model which is being proposed. Initially the intention was to set up a four organisation company but following meetings with legal and finance advisors issues have arisen in respect of tax. It has been confirmed that a company could be established but there would be tax and VAT implications for staff involved in development. If a non-charitable company was established, there would be 17.5% VAT added to staffing costs and overheads. It was felt this had been done elsewhere and did not prove successful. The CExec advised that their proposals are quite radical in that there is the contractual element which each of the partners would sign up to, and the consortia framework would be binding.

Given the current climate and the push towards greater partnering and collaboration, the CExec advised they remained committed to this project and it would be regretful if the discussions did not result in a positive workable outcome given the time and resource committed thus far and would therefore be a missed opportunity.

8.0 Perthshire Housing Association – Business Case

The CExec advised that the final version of the business case for the possible merger had been received. A provisional date for a meeting with the Regulator had been set for the middle of July. She further advised that she would be meeting with John Kernahan the following day to discuss how to proceed provided the Committee approved proceeding to Stage 2.

12.0 Policy Review

The following corporate policies are due for review.

- *Committee Membership Policy*

The Committee are requested to approve the policy with a three year review date.

- *Membership Policy*

The Committee are requested to approve the policy with a three year review date.

- *Permitted Payments and Benefits*

The Committee are requested to approve the policy with an annual review date.

13.0 Action

- The Committee **APPROVED** the submission of a joint bid with partner RSL's for the Dundee, Angus and Highland areas
- The Committee **APPROVED** progression to Stage 2 and the appointment of the consultants (Tribal) to commence this stage as detailed in the brief
- The Committee **APPROVED** the business plan indicators
- The Committee **APPROVED** the policies identified for review
- The Committee **NOTED** the remainder of the report

The CExec advised that the Directors and Managers, etc. had attended the Scottish Home Award Ceremony in Edinburgh. Servite had won the award for the Best Small Affordable Housing Development of the Year. The Committee offered their congratulations.

Items for APPROVAL

53/10 Contract with Gannochy Trust (HSD)

It was queried whether this could lead to a further partnership in the future. The HSD advised that we might be considered for carrying out repairs such as an upgrade of the Warden Call System but there would be no additional partnership arrangements. Support to the residents will be provided through the Scheme Manager who works 35 hours a week.

A brief discussion took place about the charges levied and the Committee were advised that these might be reconsidered in the future if any additional services were requested.

The Committee **APPROVED** the management agreement between Servite Housing Association and Gannochy Trust for the provision of scheme management services in Perth.

54/10 Scottish Housing Regulator's Five Year Projections (FD)

The FD explained that he had provided the ratios and that the figures which he filled in were based on our five year Business Plan. The FD advised that information is not provided on how ratios are constructed or the peer groups we are measured against. Feedback is not provided on the figures submitted. In reply to a query the FD provided an explanation on the covenants over three years.

The Committee **APPROVED** the contents of the Appendix attached to the FD's report.

55/10 Revision of the Policy on Delegated Authority (FD)

The Committee **APPROVED** the changes to the policy on Delegated Authorities.

56/10 Accident and Incident Reporting (FD)

It was queried whether an instruction should be included to contact emergency services in the event of an accident or incident as this was not mentioned. It was agreed that this would be included in the document and also highlighted to staff. Subject to that amendment, the Committee **APPROVED** the policy and procedure.

57/10 First Aid at Work Policy (FD)

It was queried whether Scheme Managers should be able to administer first aid in order to fulfil our obligations to our tenants. The HSD advised that we were informed not to offer help or assistance and to contact emergency services. This is because of insurance and liability and the potential for litigation. The HSD advised that he could certainly investigate the matter. It was suggested that the matter needed to be clarified to the scheme staff in terms of what they are expected to do or not do.

58/10 Policy Review – Equality and Diversity Policy (FD)

The Committee **APPROVED** the revised Policy.

59/10 Revised Policy – Sickness Absence (FD)

The Committee **APPROVED** the revised Policy.

60/10 Policy Review – Anti-Social Behaviour Policy (HSD)

The Committee **APPROVED** the Policy with a three year review date.

61/10 Policy Review : Discipline and Dismissal / Risk Management / Disclosure Scotland (FD)

The Committee **APPROVED** the Discipline and Dismissal Policy and Risk Management Policy with both review dates being April 2012.

The Committee **NOTED** that the Disclosure Policy is due for review however this is being considered in line with the new **Protecting Vulnerable Groups (PVG) Scheme**.

62/10 Schedule 7 Report : Approval to grant tenancy to an existing member of staff

The Committee **APPROVED** the granting of a tenancy to an existing member of staff and the report for the Register was signed by the Chairman.

Items for **INFORMATION**

63/10 HSD Report : Year End Allocations/Evictions (HSD)

The HSD advised that his report contained more detailed information about the properties allocated to applications on its Housing Register or to nominations from our Local Authority partners. The HSD stated that we have a duty to assist the Local Authorities in terms of homelessness.

It was queried whether the arrears outstanding would be written off. The HSD advised that these would be referred to the Debt Recovery Agency although we have not recovered a great deal through that route.

64/10 Minutes of Audit Committee Meeting : 10th May, 2010 (FD)

The Minutes were **NOTED**.

65/10 Management Accounts for twelve months ending 31 March 2010

The FD advised that the external audit commenced today. The FD further advised that a couple of errors had been identified in the Management Accounts resulting in approximately £90,000 less and related to a combination of the IT Project and how depreciation had been applied in the accounts. Depreciation will be £50,000 higher than shown in the management accounts. Also, when the accounts were being prepared the bad debt provision was not shown. The FD apologised for the errors.

The FD stated that the surplus was better than expected mainly because of the mortgage interest being less than the amount provided. The Deputy Chairman queried whether it would be worthwhile paying off some of our mortgage interest but the FD advised that due to current rates this would not be the preferred option.

The Executive overspend related mainly to consultants costs and were allocated to that Budget because they had been approved by the Executive. Some overheads on salaries in IT were allocated to the ICE Project and savings had resulted partly from a reorganisation in the Finance and IT Departments.

66/10 Development Report (FD)

The BDD reported on the grant allocations. Our allocation was £6m for 2009/10 and our spend was £7.5m. This year we had seen a drastic reduction in the programme, down to £2.3m.

Due to the reductions in the HAG programme the Scottish Government would only commit to 38 units this year, 19 in the Highland Area, and 19 in the Tayside Area. We have to be able to bridge fund some developments. We are proposing to work up

to tender stage, projects at Arbroath Herald Building, Muirmont Place, Bridge of Earn and Assynt Road, Inverness.

The BDD advised that the HAG subsidy benchmark for a 3 person property had been reduced from £68.5k to £66k. It was queried whether the £2.3m HAG allocation this year would be as much as we could expect for the next few years. The BDD advised that it was difficult to predict due to the constraints on public spending, but certainly there would be no significant increases in spend available.

67/10 Minutes of Servite Ventures Meeting : 27th April, 2010 (BDD)

The BDD advised that Eric Starke had resigned from the Ventures Board because of work commitments. He further advised that the developers involved in the two projects which Ventures were hoping to progress had indicated that they did not wish to take the discussions forward. The BDD stated that there was a Ventures Board meeting scheduled for Monday, 28th June and the Board will investigate if there are other projects which can be taken forward.

68/10 Health & Safety Report (FD)

The FD advised that there was still work to be done but matters were progressing well.

69/10 Minutes of ICE Project Board Meeting : 26th May, 2010 (FD)

It was queried how matters were progressing in its first 2/3 weeks of operation and the FD advised that the core items were working very well. Some training had still to be done to allow staff to become familiar with the package. The FD advised that the staff had done very well and the Consultants were impressed with how Servite were handling this. The Project Manager was assisting where necessary.

The Committee requested that their congratulations be expressed to everyone involved.

Bill Hunter apologised and withdrew from the meeting at 6.55 p.m.

70/10 Customer Feedback Analysis (FD)

The report was **NOTED**.

71/10 Equal Opportunities Monitoring Report (FD)

The Deputy Chairman stated that there was nothing to compare the figures against and the FD agreed he would try to locate some national statistics for comparison purposes.

72/10 Complaints Analysis : 1 April 2009 to 31 March 2010 (FD)

The Committee were of the opinion that a failure to acknowledge complaints within the timescale because of a staff member being on annual leave was not acceptable. It was confirmed that procedures had been put in place to ensure this did not occur in future. It was also confirmed that satisfaction surveys were carried out and a learning from complaints log was also kept.

73/10 Performance Report : 1 April 2009 to 31 March 2010 (FD)

The FD advised that David Logan had queried the liquidity ratio shown as amber at the previous meeting and he had therefore changed it to show red.

The HSD advised that the routine repairs did not quite meet the target but this situation has been addressed.

74/10 A O B

The HSD advised that the Care Commission had carried out an Announced Inspection of their support services which covered a check on 6 items of the National Care Standards. We had received a Very Good for 4 of these and Good for 2. The Good categories were queried as we felt the inspection did not truly reflect what we did. However, because the Inspector could not see tangible evidence in relation to development of the PISA and risk assessment of the individual, he rated these areas as Good. The HSD stated that in terms of the risk analysis we will not be inspected for another three years. He further stated that he would prepare a full report for the next Committee meeting.

The Chair reminded Committee Members of the Corporate Event to mark the 25th Anniversary of Servite which was scheduled to take place on 10th August.

75/10 Date of Next Meeting

23rd August, 2010.

..... Chairman

..... Date