



Board Meeting – 27 March 2019

Agenda Item: 3

Subject: Minutes of Board Meeting 27 February 2019

Prepared by: Kirsty Broadfoot

Minute of the Board meeting held on Wednesday 27 February 2019 at 5.30pm in Main Street, Ayr

Present:

Tenant Members

Kenny George
Frances Maguire
Margaret Campbell
Myra Nicol
Suzi Williamson
Georgina Dawson

Community Members

Rhonda Leith (Chair)
Gemma Collins
Bobby Pyper
Mike Tomlinson
David Porte

In Attendance

Jim Whiston
David McGivern
Alan Park
Kirsty Broadfoot - Minutes

1. Apologies

Apologies were received from Simon Leslie.

2. Declarations of Interest

No items were noted.

3. Minute of the Board meeting held on Wednesday 30 January 2019

The Minutes of the meeting held on 30 January 2019 were accepted as a true record and were proposed by Frances Maguire and seconded by Gemma Collins. Bobby raised a concern regarding confidentiality under item 10a – Revised Board Effectiveness Policy. He advised that he had been sent another Board member's appraisal form in error. He confirmed he had received an apology from Karen Anderson, but wanted to highlight what he felt was a potentially serious breach of confidentiality. Jim confirmed he had raised the matter with Karen who had explained her mistake and reiterated her apology.

4. **Matters arising**

Jim updated the Board on the current status of each of the items. It was decided that a date should be claimed for the Board to visit the Peebles Street site in April.

Informal Board Gathering – it was agreed this should be re-organised for mid-April. Gemma, Kenny and Mike to meet in March to discuss this in more detail.

5. **Business Development**

Jim updated the Board on the status of the various projects either on site or in the pipeline.

Peebles Street – Jim confirmed this is on schedule to complete in May.

Pipeline Projects

Gardenrose, Maybole

Jim confirmed the project has been delayed due to the bypass works.

Fisherton

A planning application is being submitted by the developer.

Elba Street, Ayr

Jim advised this is progressing and is of a similar nature to Peebles Street. The Board was pleased to hear that these would be built in support of tenants with health and social care needs. Mike queried the £20,000 adaptation grant. Jim confirmed this would mainly be for special access showers. Mike queried the unit cost. Jim advised that we have confidence in the contractor's price since this had been independently checked. We can also benchmark against similar projects such as Cross Gait. A general discussion took place regarding supply and demand for one bedroom flats in Ayr.

The Board agreed that the contractor's tender should be accepted subject to conclusion of the site purchase.

Carrick Street, Ayr

Jim confirmed this is progressing well. Mike noted the timescale had slipped. Jim highlighted the potential for a development committee to act as a link to provide fuller updates to the Board. ¹

South Harbour Street, Ayr

Jim confirmed Heads of Terms have been agreed. He noted this is a similar development to Carrick Street as it will have the potential to cater for older tenants. A general discussion took place. Rhonda queried the percentage of our tenants who are elderly. ² The Board approved the recommendation for NBM to be named as quantity surveyors for the project.

¹ Jim to post on Basecamp with some ideas.

² David to find out and post on Basecamp.

North East Troon

Jim confirmed terms have been agreed with Lynch Homes. He advised that works are not likely to start before February 2020.

Proposed Tenant Advice Hub and Office Extension

Jim updated the Board that a competitive tender had been received from JD Thomson. An asbestos survey has now been carried out in the former barber's shop. Mike advised that the Board felt there had been a lack of communication regarding the development. A general discussion took place around this. Jim agreed to arrange an update on how the Board alongside staff can input to the process by mid-March.³

The Board approved the recommendation for the budget to be set at £500,000 and for the contractor to be appointed.

Our Power

Jim confirmed Our Power is in administration. This is likely to result in the loss of our £1 investment. He also advised that Aspire2Access is also to cease trading, this was mainly due to the loss of their childcare project. Jim agreed to report to the Board at the next meeting regarding the digital inclusion project.

6. Housing Management Activity

a) Proposed Rent Increase

David explained that the assumed increase, which has been incorporated into the budget for consideration is 3%.

There has been a significant increase in the number of responses to our rent consultation this year with the majority (80%) agreeing with the suggested increase.

David indicated that 33 tenants left comments on the surveys and these had been included in the Board paper for the first time. Whilst the majority were positive, Rhonda expressed concern that a few mentioned their financial difficulties. David confirmed that these had been passed to our money advice team.

The Board approved the recommended increase of 3%.

b) Bad debts and write-offs

The Board approved the recommended write-offs.

c) Sub-letting Policy

The Board approved the policy.

d) Lodgers Policy

The Board approved the policy.

e) Mutual Exchange Policy

³ Jim to post on Basecamp.

The Board approved the amended policy.

7. Property Maintenance

No items were discussed.

8. Financial Matters

a) Budget Report and Financial Forecast – 2019-20

Alan provided a presentation on the key elements, assumptions and projected outcomes of the proposed budget for 2019-20. He summarised the risks – the pressure on budgets, uncertainty around Brexit, inflation and interest rates, and the financial burdens on our tenants. Alan also discussed the economy generally – advising there has been lack of movement and that business confidence has been subdued in recent years. He noted the Scottish economy is growing at a slower rate than the rest of the UK.

Alan went on to explain the reasons behind the proposed rent increase. These included the demand from applicants which warranted additional supply, meeting our loan covenants, keeping in line with the long term business plan, keeping the value of the business in line and the need for cash reserves.

Alan gave a graphical representation of the 30 year projections and explained what impact a lower rent increase would have. He spoke of the need to be able to provide security to lenders for future development. This was provided within an overview of our risk management strategy.

In conclusion, Alan confirmed that the association would remain financially strong if the budget was approved.

The Board agreed the Budget for financial year 2019-20.

9. Operational Matters

Eydent

With regard to the conference planning, Jim will post the Survey Monkey link again.⁴

Governance compliance assessment

Rhonda thanked the Board for their assistance in arranging dates for the appraisals.

a) Business Planning

Jim discussed the background behind the proposed Business Plan and Delivery Plan. He confirmed that they will be ready to be published by the end of March and that a financial health check and regulatory self-assessment will be available in March which confirm compliance with guidance on business planning.

⁴ Jim to post on Basecamp.

The Board approved the recommendation to develop the plans on the basis given.

10. Any other business

Mike asked about the possibility of having a briefing on the regulatory framework. Rhonda advised that this can be picked up via the appraisals as a topic for the Board training plan.

a) Date of next Board meeting – Wednesday 27 March 2019

There was no further business and the meeting closed at 7.40pm with a vote of thanks to the Chair.

Signed

Dated
