

**Minutes of Shire Board Meeting Held on 26th June 2019
at the Dumfries Arms Hotel, Cumnock at 6.30 pm**

PRESENT: L Campbell, N Allan, S Lowrie, R Morris, L Murphy

CHAIR: L Campbell

IN ATTENDANCE: J Munro (Director), C Donnelly (Head of Corporate Services), C McHardy (Senior Asset Officer), J McLelland (Clerical Assistant and Minute Secretary), S Cunningham

The meeting commenced at 6.30 pm.

The Chair welcomed Steven Cunningham of Alexander Sloan to the meeting.

Item		Action
1.0	Formal Business	
1.1	<p><u>Apologies</u> H Carr, S Roberts, A Rae, W Paterson, S Murray and L Miller.</p> <p>The Board acknowledged T Bardell's leave of absence which was approved on 29th May 2019.</p>	
1.2	<p><u>Declaration of Interest</u> None.</p>	
1.3	<p><u>Minutes of the Meeting Held on 29th May 2019</u> The Chair presented the minutes and invited comment or corrections.</p> <p>The Board approved the minute as a true and accurate record of the meeting of 29th May 2019.</p>	
1.4	<p><u>Action Plan</u></p> <ul style="list-style-type: none"> - Item 3.1 29/05/19; Barbieston Road The Director confirmed that consultants JLL and Graham & Sibbald were interviewed on 11th June 2019 as part of the procurement process. Following this Graham & Sibbald (G&S) were appointed. The first meeting was held with G&S on 25th June 2019, with a further meeting scheduled for July to review progress. The Director confirmed that Stage 1 is scheduled to be completed in August with Stage 2, if required, set to be completed in November 2019. The Director confirmed that the Association has notified both East Ayrshire Council and the Scottish Government that the project is underway as a matter of courtesy. - Item 1.7 20/01/19; Newbiggin Update The Director advised that the Maintenance Officer and the SAO visited the property and concerns have been raised as there appears to be a bulge in the elevations. The SAO will continue to monitor the situation. The Association have requested a Letter of Comfort from the owner's Loss Adjuster to ensure that the building is structurally viable before proceeding with any work. 	SAO

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1.5	<p>The Board noted the contents of the Action Plan</p> <p><u>Matters Arising</u></p> <ul style="list-style-type: none"> - Open Space Maintenance Billing The Head of Corporate Services confirmed that there has been no further communication regarding the proposed open space petition. - Governance Training The Chair confirmed that S Murray attended the SFHA conference. 	
1.6	<p><u>Notifiable Event</u> None.</p>	
1.7	<p><u>Membership Report</u> The Chair presented the report to the Board who considered one application received.</p> <p>The Board approved the application for membership</p>	
1.8	<p><u>Health & Safety Report</u> The Senior Asset Officer (SAO) presented the report and advised that there have been no general office issues.</p> <p>Following on from last month's report about potential bats in a property in Rankinston, the SAO advised that further investigation by East Ayrshire Council has confirmed that there is no evidence of bats in the property.</p> <p>The SAO advised that he is currently investigating another case in Netherthird, where tenants have reported that there may be bats in their property.</p> <p>Board noted the content of the Health & Safety report.</p>	
2.0 2.1	<p>Items requiring a Board Decision</p> <p><u>Approval of 2018/19 Financial Statements</u> The Head of Corporate Services presented the report to the Board and provided a summary of the differences between the financial statements and the previously approved Management Accounts.</p> <p>The Chair highlighted the comments H Carr provided ahead of the meeting, via email, advising that the Financial Statements were discussed in detail at the Audit Committee and that there were no issues of concern.</p> <p>The Head of Corporate Services introduced S Cunningham of Alexander Sloan. S Cunningham confirmed that there were no issues of concern and the Association achieved a clean audit report. S Cunningham advised that Alexander Sloan were happy with the steps the Association have taken in reviewing component accounting and that there were no new management letter points for 2018/19.</p>	

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	<p><u>Private Session with Auditor</u> The Board took the opportunity to have a private session with the Auditor following the Auditor’s absence at the Audit Committee meeting.</p> <p>The Chair provided feedback from the discussion highlighting that no issues or concern were raised by the Auditor, and the staff team were working closely with them on the audit. The Chair thanked the Management Team for their professionalism and the support they provided during audit.</p> <p><i>S Cunningham left the meeting at this point.</i></p> <p>The Director advised the Board that the Audit Committee had discussed a review of the External Audit Contract prior to potential re-tendering. The Board agreed this would be beneficial and appropriate wording should be used regarding appointment of External Auditors at the AGM.</p> <p>The Board approved the signing of the Financial Statements and the Letter of Representation. The Board also noted the contents of the Management Letter. The Board agreed that a retender process should be initiated through the Audit Committee after the AGM.</p>	DIR/HCOR
2.2	<p><u>Regulatory Compliance – Assurance Map</u> The Director presented the report to the Board and advised that this had been reviewed at the June meeting of the Audit Committee.</p> <p>The Director confirmed that the Management Team (MT) have taken on feedback from the Audit Committee and have designed a matrix to allow Board Members to easily identify which standards each document relates to within the Assurance Map. This matrix was circulated to Board Members. The Audit Convenor thanked the MT for undertaking this task so promptly.</p> <p>The Director confirmed that Wylie & Bisset will undertake a validation of the Assurance Map in September 2019.</p> <p>The Director confirmed that a further 2-3 standards will be completed and brought to the August Audit Committee and Management Board meetings.</p> <p>The Director confirmed that once the Standing Orders have been approved by the Board, the grading on the Assurance Map will be updated to “Strong”.</p> <p>The Head of Corporate Services confirmed that the Assurance Map will be refreshed annually.</p> <p>The Board approved the Draft Assurance Map and its assessment of the Association’s compliance with Regulatory Standards 1 and 2.</p>	DIR

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2.3	<p><u>30 Year Plan – Update</u> The Head of Corporate Services advised that the 30 Year Financial Plan was previously approved by Board in March. However, the plan has been updated to use 2018/19 actual results, rather than budgeted results as its starting point. All assumptions remain the same.</p> <p>The Board approved the updated 30 Year Financial Projections and their submission to the Co-operative Bank. In addition, the Board approved the first 5 years of the plan being the basis of the 5-year Financial Plan to be submitted to the Scottish Housing Regulator.</p>	
2.4	<p><u>Update on establishing a Subsidiary Company</u> The Director presented the report on establishing a subsidiary company as a possible mechanism to deliver the future Care and Repair Service. The Board noted the costs that the Co-operative Bank is likely to charge for granting permission to establish a subsidiary. The Director stressed that the Association must consider value for money, highlighting that the Care and Repair Service does not generate significant revenue for the Association. He also pointed out that the establishment of a subsidiary does not guarantee the success of a tender.</p> <p>The Board felt that this was a useful paper and that good, clear advice had been provided by Addleshaw Goddard. The Board highlighted that an additional level of governance would be necessary and that this should be taken into consideration. The Board suggested that the Association should delay the establishment of a subsidiary until the same time as the refinancing exercise, ensuring that Loan Covenants are less restrictive potentially enabling a subsidiary to be set-up to support growth. The Board agreed that the Director should continue discussions with East Ayrshire Health and Social Care Partnership to understand the potential timing and remit of future tenders for services and the future of the Care and Repair Service.</p> <p>Board agreed that the Association should continue to explore available options but should delay potentially establishing a subsidiary company until the same time as the refinancing exercise.</p>	DIR
2.5	<p><u>External Wall Insulation (EWI) Contact Appointment</u> The Senior Asset Officer presented the report and requested Board approval to appoint AC White & Co Ltd. The SAO advised that AC White & Co Ltd have completed a pilot on a property in Mauchline. The Maintenance Officer will inspect the work next week.</p> <p>The SAO confirmed that the EWI was procured via a framework arrangement through the Scottish Procurement Agency (SPA). The Association is a member of the SPA and pay a membership fee for services.</p> <p>The SAO confirmed that there is no requirement for a community benefit clause given the value of the contract. However, the SAO will discuss</p>	SAO

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2.6	<p>possibilities with the contractor.</p> <p><u>Roof Replacements</u> The SAO advised that Ewing Somerville, Quantity Surveyor, have prepared the Invitation to Tender. This has been placed on the Scottish Procurement website. Deadline for submissions is 12th July 2019. The SAO will bring a report to the Board in August 2019 detailing the outcome.</p> <p>The Board approved the appointment of AC White & Co Ltd and noted the future report which will be brought to Board in August.</p> <p><u>Policy Review – Whistleblowing Policy and Notifiable Events Policy</u> The Director presented the report to the Board.</p> <p><u>Notifiable Events Policy</u> The Director confirmed that the updated policy reflects regulatory changes introduced in April 2019.</p> <p>The Board asked that 2 minor formatting issues are rectified on page 5 and page 9.</p> <p><u>Whistleblowing Policy</u> The Director confirmed that the Whistleblowing Policy relates to a number of Regulatory Standards. The updated policy will be added to the Assurance Map and linked documents.</p> <p>The Board requested that the updated policy is circulated among staff and Board Members to make them aware of the procedures. It was also requested that the policy is added to the website.</p> <p>The Board approved the Whistleblowing Policy and the Notifiable Events Policy.</p>	<p>SAO</p> <p>CA</p> <p>CA</p> <p>MT</p>
2.7	<p><u>ARC Action Plan</u> The Director advised that the Head of Customer Services produced the ARC Action Plan following CD Consultants ARC pre-submission validation visit.</p> <p>It was confirmed that the Action Plan covers partially validated and not validated indicators as well as recommendations for improvement.</p> <p>The Director confirmed that he is currently awaiting confirmation from CD Consultants around next year’s validation visit date.</p> <p>The Board approved the updated ARC Action Plan</p>	
3.0	<p>Items for Discussion <u>None.</u></p>	

Item		Action
4.0	<p>Reports for Information Only</p>	
4.1	<p><u>Minutes of Audit Committee Meeting on 16 May 2019</u></p>	
	<p>The Chair took the opportunity to thank the Audit Committee for their continued support and commitment.</p>	
	<p>The Board noted the minutes of the Audit Committee Meeting on 16 May 2019.</p>	
4.2	<p><u>Update on Audit Committee Meeting of 20 June 2019</u></p>	
	<p>The Director advised the Board that the Auditor was unable to attend the Audit Committee due to car problems. The Head of Corporate Services covered the accounts and the Management Letter in detail at the Audit Committee and Board were given the opportunity to put forward any questions to the Auditor this evening and to conduct a private session.</p>	
	<p>The Director confirmed that the Audit Committee also discussed the Assurance Map in detail.</p>	
4.3	<p><u>Update on Office Working Group Meeting of 26 June 2019</u></p>	
	<p>The Audit Convenor confirmed that a meeting of the Working Group (WG) was held this afternoon. There have been brief discussions with EAC regarding potential sites, as well as options being explored for the existing site. A report will be brought back to the Board later in the year to provide an update on any progress.</p>	WG
	<p>The Director confirmed that the Community Regeneration and Engagement Officer has carried out some consultation work with stakeholders to allow the Association to establish what the local community want/need is.</p>	
	<p>The Director confirmed that there will be a session at the Team Building Event to involve and engage staff with the process.</p>	
	<p>The Audit Convenor reiterated that the project is still at an investigatory stage but the WG may seek Board approval towards the end of the year to progress the project further.</p>	
5.0	<p>Training</p>	
	<p><u>None.</u></p>	
6.0	<p>Deferred Items</p>	
	<p><u>None.</u></p>	
7.0	<p>AOCB</p>	
7.1	<p><u>Leave of Absence</u></p>	
	<p>The Director advised that L Murphy has submitted a written request for a six month Leave of Absence, beginning in October.</p>	
	<p>The Director advised that subject to Board approval this will be taken as</p>	

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	<p>two 3-month tranches of leave, in accordance with the Association's Rules and Standing Orders.</p> <p>The Board agreed a 6 month Leave of Absence, to be reaffirmed after 3 months, for L Murphy in accordance with the Association's Rules and Standing Orders.</p>	
7.2	<p><u>July Board Meeting</u></p> <p>The Board agreed that there will be no meeting held in July.</p>	
7.3	<p><u>Business Stream Error</u></p> <p>The Director advised the Board that Business Stream is pursuing a Scottish Water debt for a property in Newmilns which is not owned by Shire H.A. The Association has been incorrectly invoiced and issued with a Court proceeding. Business Stream have accepted that the error is theirs and the Association have asked for the court instruction to be rescinded and for written confirmation that this has happened.</p>	
7.4	<p><u>RICS Scotland</u></p> <p>The Director noted a request for work experience from a university student studying Real Estate. The requirements will be investigated further. The Head of Corporate Services also noted that one school pupil will undertake work experience at Shire. It was confirmed that anyone entering the premises on such a basis would be required to sign a confidentiality agreement.</p>	
7.5	<p><u>Team Building Event</u></p> <p>The Director confirmed that Connect Three Solutions will shortly issue a questionnaire to staff and Board ahead of the Team Building Event on 8th August.</p>	
7.6	<p><u>Notification of the AGM</u></p> <p>The Secretary presented a request to Board under Rule 20 of the Associations Rules, to call the Annual General Meeting on 19th September 2019, with a reserve date of 26th September 2019.</p> <p>The Board remitted the Secretary to call the Annual General Meeting under the rules of the association on 19th September 2019.</p> <p>It was confirmed that the summer newsletter will inform tenants of the date, time and location of the AGM.</p>	
7.7	<p><u>Standing Orders</u></p> <p>The Head of Corporate Services asked members to forward any comments about the Standing Orders to her or to the Director.</p>	
8.0	<p>Date of Next Board Meeting: Wednesday 28th August 2019.</p> <p>Venue: The Dumfries Arms Hotel, Cumnock at 6.30 pm.</p>	

Item		Action
	<p data-bbox="336 241 799 275">Meeting Concluded at 9.00pm.</p> <p data-bbox="336 277 1273 311">I confirm this Minute is a true and accurate record of the meeting:-</p> <p data-bbox="336 387 1254 421">Chair _____</p>	