

**Minutes of Shire Board Meeting Held on 26th February 2020
at Ochiltree Community Hub, Ochiltree at 6.30 pm**

PRESENT: L Campbell (Chair), H Carr (Vice Chair), N Allan (Audit Convenor), S Lowrie, D MacLeod, A Malik (Remotely), W Paterson, A Rae, S Roberts

CHAIR: L Campbell

IN ATTENDANCE: J Munro (Director), C Donnelly (Head of Corporate Services), L Miller (Head of Customer Services), C McHardy (Senior Asset Officer), S Bruce (Finance Officer) J McLelland (Minute Secretary) A Berwick (Refinancing Adviser, ATFS)

The meeting commenced at 6.30pm

Item		Action
	<p>The Chair welcomed A Berwick of ATFS and S Bruce to the meeting.</p>	
<p>1.0</p>	<p>Formal Business</p>	
<p>1.1</p>	<p><u>Apologies</u> R Morris.</p>	
	<p>The Board acknowledged S Murray’s ongoing leave of absence which was approved on 11th December 2019.</p>	
	<p>The Board acknowledged L Murphy’s leave of absence which was reaffirmed on 29th January 2020.</p>	
<p>1.2</p>	<p><u>Declaration of Interest</u></p>	
	<p>Item 2.1 – H Carr declared that he worked with A Berwick of ATFS a number of years ago. It was deemed that this would not be a conflict of interest.</p> <p>Item 2.1 – L Murphy, who is currently on a Leave of Absence (LofA), declared to the Director that she is employed by the Clydesdale Bank. As L Murphy is on a LofA and will not be involved in the decision-making process, it was deemed not to be a conflict.</p>	
<p>1.3</p>	<p><u>Minutes of the Meeting Held on 29th January 2020</u></p>	
	<p>The Chair presented the minute and invited comment or corrections.</p>	
	<p>H Carr asked for Item 7.3 to state that he will step down from the Board in the Spring rather than in March.</p>	<p>CA</p>
	<p>The Board approved the minute as a true and accurate record of the meeting of 29th January 2020 subject to the above amendment.</p>	

Item		Action
1.4	<p><u>Action Plan</u></p> <p>The Board noted the contents of the Action Plan</p>	
1.5	<p><u>Matters Arising</u> None.</p>	
1.6	<p><u>Notifiable Events</u> None.</p>	
1.7	<p><u>Membership Report</u> None.</p>	
1.8	<p><u>Health & Safety Report</u> The Senior Asset Officer (SAO) advised that there are four more cases of asbestos discovered since the last report, one of which is notifiable to the Health and Safety Executive. Arrangements are underway for removal.</p> <p>The SAO advised that reinstatement work to our fire damaged property in Patna commenced earlier this month. Board noted that East Ayrshire Council withdrew the Notice of Removal which allows work to begin. The schedule of works, prepared by insurers, and work to the Association's property is due to commence imminently. The Customer Service officer is in regular contact with the tenant and it is anticipated the property will be habitable by the end of March.</p> <p>Board noted the Health & Safety aspect of Castleview brickwork is now complete. The Director will discuss recent developments relating to Castleview in more detail under Item 3.3.</p> <p>The Board noted the content of the Health & Safety report.</p>	
2.0	<p>Items requiring a Board Decision</p>	
2.1	<p><u>Refinancing recommendation for approval</u></p> <p>A Berwick of ATFS presented his findings to the Board. Options explored focussed on a £2.5m revolving credit facility (RCF) and an £8m term loan. The Board noted that an RCF would provide the Association with flexibility for the proposed office project and also a potential development. The fixed term loan would refinance the existing loan facility.</p> <p>A Berwick advised that the lenders explored are familiar with RSLs and are likely to be accommodating should additional financing be required for future developments.</p>	

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	<p>The Board noted that 6 offers were received, and A Berwick provided a comparison of these offers.</p> <p>[FOISA Status – Exemption under Section 33 (Commercial interests and the Economy)]</p> <p>The Board:</p> <ul style="list-style-type: none"> • Considered all of the information provided • Approved the short list of lenders to engage in further discussions • Approved the review of assumptions in the 30-year model <p>The Board agreed that notice will be given on the 95-day notice account with Nationwide.</p>	HCOR
2.2	<p><u>Quarter 3 Management Accounts</u></p> <p>The Finance Officer (FO) presented the Quarter 3 Management Accounts for approval to allow them to be submitted to the Co-operative Bank.</p> <p>The Board welcomed the positive variance and the accompanying commentary. Board noted there are no issues regarding cash resources or loan covenant compliance.</p> <p>The FO advised that the underspend on reactive repairs correlates to less repairs being carried out. The underspend on cyclical maintenance is mainly due to gutter cleaning being carried out on an ad hoc basis rather than the budgeted full contract.</p> <p>The FO advised that “committee” overheads detailed on p6 refer to the Board. The Board noted that VFM exercises are carried out on an ongoing basis to ensure VFM.</p> <p>The Board approved Quarter 3 Management Accounts and the submission to Co-op Bank as presented.</p>	
2.3	<p><u>Budget Approval</u></p> <p>The Head of Corporate Services (HCOR) presented the report to the Board and highlighted the changes made to the draft budget.</p> <p>The HCOR confirmed that the 1.7% rent increase will also be factored in to the 30-year plan.</p> <p>The Board noted the changes between the draft and final budgets and approved the final budget for 2020/21.</p>	
2.4	<p><u>Insurance Procurement Approval</u></p> <p>The Head of Corporate Services (HCOR) presented the report to the Board and confirmed that the tender process was managed by Bruce Stevenson Insurance Broker (BS).</p>	

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2.7	<ul style="list-style-type: none"> • Gas Servicing, Maintenance & Replacement Contract 2020-2025 Open Tender via Public Contracts Scotland. Anticipated Value £1.9m over a 3 + 1 + 1 + 1-year term. • Kitchen Replacement Contract 2020-24 through the SPA Framework. Anticipated value £1.4m over a 3 + 1-year term. <p><u>2019-20 Year-End Write-Off and Off-Charge Report</u> The HCS presented the report to the Board.</p> <p>The Board fully discussed the semi-detached property in Meikleholm Drive, Patna and agreed that the Association should instruct Graham & Sibbald to carry out a valuation on the unoccupied owner’s property to enable a review of a longer-term asset solution.</p> <p>The Finance Officer advised the Board that since the time of writing the report, the off-charge property at 16 Merrick Drive has been let. Subsequently, Board are asked to approve 11 off-charge long-term void properties.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Approved the Write-Off of £3,813.36 • Approved the 11 off-charge long-term void properties • Approved 34 Meikleholm Drive, Patna to remain off-charge until next steps are determined. 	HCS
2.8	<p><u>Internal Audit Tender – Approval of Appointment</u> The Director presented the report to the Board and advised that tenders were received from TIAA and Wylie & Bisset.</p> <p>The Board requested that the Director liaise with Graham Gillespie, Partner at Wylie & Bisset, to arrange for him to attend a future Board meeting.</p> <p>The Board approved the tender assessment panel’s recommendation to appoint Wylie & Bisset for a further 3-year period, with the contract potentially offering an extension of up to 2 further years subject to satisfactory contractual performance.</p>	DIR
3.0 3.1	<p>Items for Discussion</p> <p><u>Newbiggin Update</u> Board noted the programme of work to re-build is underway. Completion is due in the second week of June. The SAO will provide Board with a monthly progress update on the re-build programme.</p> <p>The Board noted the updated position.</p>	SAO
3.2	<p><u>Planned Maintenance Report – Quarter 3</u> The Senior Asset Officer (SAO) presented the report to the Board.</p> <p>The SAO advised that ‘mobile’ stock condition surveys are carried out</p>	

Item		Action
3.3	<p>on mobile devices.</p> <p>The Board granted S Roberts approval to share the Association's best practice around the Decarbonisation Fund with colleagues and peers.</p> <p>The Board noted the third quarter position on the physical and financial progress of the Planned Improvements Programme for 2019-2020.</p> <p>The Board approved the meeting to run past 9.00pm at the Chair's request.</p> <p><u>Castleview Avenue, Galston Update</u></p> <p>[FOISA Status – Exempt under Section 36 (Confidentiality)]</p> <p>The Board noted the content of the report and the Director's verbal update.</p>	
4.0	<p>Reports for Information Only None.</p>	
5.0	<p>Training <u>None.</u></p>	
6.0	<p>Deferred Items <u>None.</u></p>	
7.0 7.1	<p>AOCB <u>SFHA Membership</u></p> <p>The Chair advised that he recently attended the SFHA's Chairs' Conference and was impressed by the benefits that come with being a SFHA member.</p> <p>The Board discussed the potential benefits and drawbacks of SFHA membership, with VFM being a prime focus.</p> <p>The Board requested that the Director engages with Eydent partners, who are all SFHA members, to gauge their views on membership and report this back to the Board in March as part of a wider Corporate Membership review.</p>	DIR
7.2	<p><u>Update on Care and Repair Service Tender</u></p> <p>The Director advised the Board that East Ayrshire Council have not yet issued the Care and Repair Tender. The Director will keep the Board updated of any developments.</p>	
7.3	<p><u>Charity Zipline</u></p> <p>The Director advised the Board that members of the staff team are proposing to represent Shire in a charity zipline event to raise funds for Alzheimer Scotland.</p>	

Item		Action
8.0	<p>The Board agreed to pay the £20 per person registration fee for those taking part and to provide a branded T-Shirt to promote Shire's support.</p> <p>Date of Next Board Meeting: Wednesday 25th March 2020. Venue: Ochiltree Community Hub at 6.30pm.</p> <p>Meeting Concluded at 9.30pm. I confirm this Minute is a true and accurate record of the meeting:-</p> <p>Chair_____</p>	<p>DIR</p> <p>DIR</p>