



MINUTES OF BRIDGEWATER HOUSING ASSOCIATION

VIRTUAL BOARD MEETING

Venue: Virtual Meeting via Zoom at home

Date: 26th August 2020

Time: 5.30pm

Present:

John Paterson Vice Chair, Heather Stirling Secretary, Angela Westrop Board Member, Frank Bradley Board Member, Ken McIntosh Board Member, Jim Sheridan Board Member, Denise Love Board Member, Suzanne Austin Board Member and Steven Webster Board Member.

In attendance:

Ian McLean Chief Executive, Gary Stapleton Technical Services Manager, Angie Kennedy Head of Finance, Eleanor Biggs Financial Consultant (part), Scott Currie Corporate Services Manager and Lesley Carr Office Administrator
Scott McCready , Wylie Bisset (part)

Item	Details	Action
1.	Welcome and Chairs remarks	
	The Chair welcomed everyone to the meeting and confirmed that members had received their papers on time.	
2.	Apologies	
2.1	Apologies were received from Alastair Morris, Rab McNally and Aileen Naismith Leave of Absence: Craig McGarry.	
2.2	Members AGREED for the Chief Executive to Manage this meeting, in the absence of the Chair.	
2.3	The Chief Executive informed those present that for the purpose of the minute this meeting would be recorded. The recording may be upload to our Website.	
3.	Declarations of Interest	
	Members were invited to declare any interest in any of the items on the agenda, in terms of the Association's published policy.	
3.1	There were no declarations made by those present.	
4.	Minute of the Board Meeting held on 26th August 2020	
	Members were invited to consider the minute of the Board meeting of 26 th August 2020	
4.1	Members approved the minutes as a correct record of the meeting as PROPOSED by Angela Westrop and SECONDED by Heather Stirling.	

MATTERS ARISING

5.	There were no matters arising from the previous minute	
5.1	There were no matters arising from the previous minute.	
MATTERS FOR APPROVAL		
6.	Internal Audit Plan 2020/21	
	<p>The Chief Executive introduced Scott McCready from Wylie Bisset to the meeting. Scott explained that the original 3 year Internal Audit Plan, which had been presented to the Audit and Risk Sub Committee for approval on 15th May 2019 and presented to the Board for their approval on 26th August 2020 had now been reviewed due to the Covid 19 Pandemic.</p> <p>During recent discussions with the Chief Executive and the Leadership Team it had been agreed to replace the IT Systems and Procurement reviews in 2020/21, with a review of Allocations and ARC reporting. It had also been agreed to remove the GDPR & FOI review, and bring forward the review of Payroll, which had originally been scheduled to take place in 2021/22. A review of the Factoring Service will now replace the Payroll review 2021/22. Due to the extensive work undertaken to meet the Cyber Essentials accreditation, it was also decided to remove the IT systems review as the CE and HOF believed that the Association would benefit more from reviews of the Allocation and ARC reporting processes.</p> <p>Scott also updated that the Audit on ARC reporting had been completed and that a representative from Wylie Bisset had met with the Management Team to provide them with the outcomes of this Audit.</p> <p>The CE explained that the Audit Plan would normally be considered by the Audit and Risk Sub Committee and these meeting will resume following on from our AGM in September.</p>	
6.1	Members APPROVED the revised Internal Audit Plan 2020/21.	
7.	Five Year Financial Projections – for submission to SHR	
	<p>Members were invited to consider a report presented by Eleanor Biggs, Finance Consultant, the purpose of which was to seek approval from the Board for the Association’s Five Year Financial Projections for submission to the Scottish Housing Regulator for the year ended 31st March 2020.</p> <p>The FC explained that the Statement of Comprehensive income, which is the new term for the Income and expenditure account, follows the same layout and replicates the information contained within the Annual Accounts, which have been audited by French Duncan and approved by the Board at their last meeting.</p> <p>The Business Plan is based on the Budget and the processes involved in producing the plan were described to those present. The FC explained that assumptions had been made in certain areas, such as inflation, which in this case is 2% and all income and expenditure has been increased by this amount.</p> <p>The FC explained that the Business Plan, which has also been updated includes a lot more detail in areas such as Planned Maintenance and Investment. This information has been provided by the Technical Services Manager and includes a full profile of investment including revenue and component costs, which have recently been updated.</p> <p>Other areas which have been taken into account are Staff Budget, Pensions, Overheads and areas where there might be some one off costs or costs which are periodic, e.g. property valuation, which wouldn’t be carried out every year but may be done every 3 years.</p>	

	<p>The FC outlined the main areas within the report.</p> <p>The FC confirmed that the figures contained within the Net Current Asset Liability, indicate that the Association is maintaining good cash reserves throughout the 5 years of the plan.</p> <p>Within the Cash flow, Boards attention was drawn towards the figure for Net Cash for operating, this figure also confirms that the Association is generating enough money to carry out what it wants to do, without overspending.</p> <p>The Interest Payable and similar charges shows that these figures are reducing, this is due to the Associations loans being paid off and a reduction in interest rates.</p> <p>The Head of Finance, asked Board to note that this report is for the year end 2020, although the footer on the page says “Financial Projections for 2018/19 and this had been generated from the Regulators Portal and could not be changed.</p> <p>A Member asked why the Management Costs fluctuate throughout the plan. The FC explained that the pension deficit, which is payable to SHAPS, is contained within the Management Costs and once this deficit has been paid the management costs will reduce. This deficit has only been forecast for the next 3 years therefore this is the only information we have at this time. The Chief Executive suspected that this situation may also change due to the impact of Covid.</p> <p>A members had observed that the Planned Maintenance and Capitalisation figure was really high and assumed that the reason behind this was that most activities were being put on hold forcing the costs forward to next year and beyond. She understands that the Regulator has requested this information based on the current budget, however this may not give a true reflection of what will actually happen over the next 5 years. The Chief Executive explained that the Regulator understands that it is too early for anyone to know what the impact of Covid may be and he would be recommending that a review of the budget should take place later in the year, when we should be in a better position to take account of the impact Covid has had. The reviewed budget would enable us to submit updated information to the Regulator.</p> <p>The FC believed that the Regulator may ask for an in-year return of the Budget and the Business Plan to take account of the changes.</p>	
7.1	Members APPROVED the Five Year Financial Projections and this will now be submitted to the Regulator.	
8.	Management Accounts for period ended 30th June 2020	
	<p>Members were invited to consider the Management Accounts for the period ended 30th June 2020 presented by the Head of Finance. The Management Accounts are provided to focus the member’s attention to the bigger financial picture and aims to provide more detail and analysis to assist members to make financial and service changes to the Association’s plan.</p> <p>The notes contained within this report provided additional detail to the Management Accounts, however the HOF asked Members to pay particular attention to some highlighted areas including Overheads, Income and Expenditure, Management Expenses, Operating surplus, as well as the Cost Centre Analysis, which provides additional information in relation to the breakdown of costs across various costs centres. Details of all variances were provided within the report.</p> <p>Members were asked to pay particular attention to the Cash Flow position as this demonstrates a comfortable cash positions at the end of the first quarter which enables us to continue our major repair work while continuing to service our loan.</p> <p>A member noticed that due to the fact that we had been unable to spend, the cash reserves in the bank were relatively high and suggested that this could be moved into a high interest rate</p>	

	bank account to accumulate some interest. The HOF explained that she is constantly watching interest rates and would consider this along with any risks that may be involved by moving funds. Moving to a higher interest rate account could tie the money up for a longer period of time.	
8.1	Members APPROVED the Management Accounts.	
9.	IFLAIR – Verbal update and request for delegated authority	
	<p>The Technical Services Manager informed those present that the third round of the IFLAIR agreement process is currently underway and they are in the process of checking the tenders which have been received. The IFLAIR partners are hoping to be in a position to start the new Framework in early September. He updated that there have been a total of 110 notifications of interest received. And went on to explain that once all of the Quality Assessments have been completed the Heads of Terms Agreement, the document which sets out the Rules of the Framework, would need to be signed by each Association.</p> <p>The TSM is unsure when the agreement will be ready for signing and since the Association is under no obligation to use the Framework and there are no direct financial implications, he requested that Members agree to the final document being signed by the Chief Executive.</p>	
9.1	Members NOTED the update provided by the Technical Services Manager and AGREED to grant delegated authority to the Chief Executive to enable him to sign the IFLAIR Heads of Terms agreement.	
10.	Board Development Interviews	
	<p>Members were invited to consider a report by The Chief Executive, the purpose of which was to set out the arrangements for dealing with the requirement to undertake annual appraisals of Board Members, (Development Interviews). The report also deals with arrangements for those Board Members who have served for nine years or more, who’s term of office ends at this year’s AGM and who wish to be considered for re-election and where the Board is expected to express a view as to their continued effective participation on the Board.</p> <p>The CE updated that the most recent Board Development interviews were conducted just prior to the 2019 AGM in August last year and would have been current until August this year. However just 6 months after the AGM, the Association, like most other businesses in Scotland “went into lockdown” and set about trying to deliver services remotely. Things were therefore significantly different for Board Members for the next six months and the outcomes of their Board Development Interviews bear no resemblance to reality and are unlikely to for some time. The Association remains in lock-down restrictions at this time.</p> <p>Having consulted with the Chair, Vice Chair and the Secretary, it is proposed that the Board extend the life of the current Board Development Outcomes for a further six months and rely on the current outcomes to comply with SHR’s Regulatory Standards of Governance and Financial Management and the nine year Rule.</p> <p>The Board were asked to note that the following Board Members are due to stand down at the 2020 AGM. Members shown with a * are subject to the nine year rule.</p> <p>J Paterson, K McIntosh, J Sheridan, A Westrop*, R McNally* and A Naismith*</p> <p>The Chief Executive will arrange for nomination forms for those who require to stand down to be distributed, signed and returned within the timescales set under our current Rules.</p>	
10.1	Members AGREED to extend the Board Development Interview outputs by six months and AGREED , that those Board Members who are subject to the nine year Rule, who’s term of office ends at the AGM and who wish to be re-nominated, continue to provide effective oversight and good governance of the Association and that their contribution continues to be valued.	

11.	Proposed Changes to the 2013 Rules and Proposed Tracked Changes	
	<p>The Chief Executive explained that as a regulated organisation with the Scottish Housing Regulator (SH), Office of the Scottish Charities Regulator (OSCR) and the Financial Conduct Authority (FCA), the Association is required to have appropriate rules in place to ensure effective governance.</p> <p>Members were invited to consider a report by the Chief Executive, the purpose of which was to seek approval from the Board to proposed changes to its Rules. This report should be read in conjunction with the Draft Model Rules 2020 which were attached to the report.</p> <p>The CE outlined the key changes for consideration, along with optional changes, which were highlighted within the report.</p> <p>Following agreement of the recommended changes, the new proposed rules will be reviewed by the Association’s solicitor in their entirety and then presented to a Special General Meeting (SGM) for which there needs to be 14 days written notice. Notice of this meeting has been sent out to the Membership. The CE recommended that the SGM is held preceding the AGM. He explained that a majority of three quarters of those present at the SGM would need to agree to adopt any amendments to the Rules. Once membership have agreed to adopt the amended Rules, these will be registered with the FCA, the SHR requires to be informed of changes within 28 days (this is classified as a notifiable event) and OSCR need to be informed within 3 months of the change.</p> <p>The CE informed the Board that this is probably the most significant changes to the model rules since the Association became a legal entity in 1998 and requires some considerable thought. A number of the changes are fairly straightforward and bring the rules in line with the current regulatory guidance and statutes, as well as “tidying up” the old rules. Others are more controversial and require more thought and consideration.</p> <p>The Chief Executive opened up the meeting for discussion.</p> <p>A member directed members to Rule 59.8, which states that when the Chairperson is not present members should elect another Board Member to Chair the meeting. The Chief Executive acknowledged this and explained that under the current circumstances and since there had been no objection to him managing this meeting, this would be deemed acceptable. However in normal circumstances the CE would not chair the meeting and a substitute Chairperson would be appointed. He reminded members that he had not been appointed to chair the meeting but merely invited to manage the meeting within the context of it being held digitally.</p> <p>A member asked, in relation to Rule 40.3, where a nomination for election to the Committee could be rejected, whether there would be an appeal process and if there would be a process for Members to follow with examples of reasons for refusal. The CE explained that there would be a Policy which would set out the process and would provide some examples for reasons for refusal. However, he explained that it was unlikely that there would be an appeal process and the Board’s decision would be final.</p> <p>The Chief Executive will arrange to make the suggested changes to the Rules and incorporate any comments from the Solicitor. He will ask the Head of Finance to contact the lender for any final comments they have.</p>	
11.1	<p>Following full discussion Members AGREED to the following:-</p> <ol style="list-style-type: none"> (1) Adopt the amended 2020 model rules as attached at appendix 1 and subject to legal advice (2) Delete the rule relating to allowing staff members to become Board Members (Rule 37.2) (3) Delete the rule relating to allowing Board members to be paid. (Rule 38.4) (4) Instruct the Chief Executive to obtain legal advice on the proposed changes to the Associations’ rules. 	

	<p>(5) Instruct the Chief Executive to obtain any lender permissions to the proposed new changes.</p> <p>(6) Instruct the Chief Executive to arrange a Special General Meeting to provide the membership with an opportunity to consider the proposed changes.</p>	
MATTERS FOR CONSIDERATION, COMMENT AND NOTING		
12.	Rule 68 Report from Secretary	
	<p>Members were invited to consider a report by the Secretary, the purpose of which was to provide information to Board Members in relation to Rule 68 of the Association's Rules, which requires that the Secretary of the Association reports on the existence and maintenance of various Registers.</p> <p>The Chief Executive explained that the Association's books of account, registers, securities and other documents must be kept at the Registered Office or any other place the Board decides is secure. At the last Board Meeting before the Annual General Meeting, the Secretary must confirm in writing to the Board that Rules 62 to 67 have been followed, or if they have not been followed the reason for this. The Secretary's confirmation or report must be recorded in the minute of the Board Meeting.</p> <p>In normal circumstances the Secretary would attend the office to confirm that the required registers and paperwork are available and being maintained. However due to Covid 19 restrictions this meant that the Secretary was unable to attend the office. Instead the Secretary was provided with digital evidence which she is satisfied shows that the Association is complying with Rule 68 and that everything is, to the best of her knowledge, in order.</p>	
12.1	Members NOTED the content of this report.	
13.	Financial Assurance report	
	<p>Members were invited to consider a report by the Chief Executive, the purpose of which was to provide information to the Board on the steps undertaken by the Board and Senior Staff, aimed to provide sufficient assurance in relation to the Association's financial controls.</p> <p>The CE explained that the External Auditors provide a Management Letter each year following their Audit. The report identifies any weaknesses in the financial control system. The External Auditors Management letter did not identify any weaknesses in relation to the 19/20 audit. The Management Letter and any response is required to be submitted to the SHR by 31st December 2020.</p> <p>The report highlights the numerous ways in which, during the course of the year and its normal business, the Board receives assurance as to its financial strength and the robustness of its processes.</p>	
13.1	Members NOTED the content of this report.	
14.	Letter of Representation to Auditor	
	Members were invited to consider the letter of Representation to the Auditor this is the formal response to confirm that we allowed the auditors access to the information they required. This letter has been signed and returned.	
14.1	Members NOTED the letter of representation.	
15.	Board Response to Auditors Management Report	
	Members were invited to consider the letter from the Board to French Duncan in response to	

	the Auditors Management Report.	
15.1	Members NOTED the response letter from the Board this has also been signed by the Chair and the Secretary and has been sent to the Auditor.	
16.	Care and Repair Quarter 1 report	
	<p>Members were invited to consider a report by the Corporate Services Manager, the purpose of which was to provide an update to the Board on the progress of the current Care & Repair Contract and other relevant Care and Repair team issues.</p> <p>The CSM updated that since the majority of the Care and Repair Team have been on furlough, there was nothing much to report. In terms of the adaptations around 7 have been carried out throughout all 3 area. The information on the small repairs included work that had been carried out in the Community, delivering food and medicine during lockdown. Adaptations have now fully resumed in Renfrewshire and Inverclyde and work within East Renfrewshire will resume as of Monday. The CSM explained that there is a huge backlog in adaptations and Staff will be brought back from Furlough to attend to these. The CSM is hoping to be fully staffed within the next week. However the full Small Repairs Service will not resume until we enter into Phase 4 of the Governments route map.</p> <p>The Current Care and Repair contract is due to end on 31st October however the CSM informed Members that Renfrewshire and East Renfrewshire Councils are considering the possibility of extending their contract for 3 months. The CSM is expecting confirmation of this proposal within the next week to 10 days and hopes to provide members with an update at their next meeting.</p>	
16.1	Members NOTED the update provided by the CSM.	
17.	Reactive Repairs Contract Update	
	<p>Members were invited to consider a report by the Technical Services Manager, the purpose of which was to provide the Board with up-to-date information in relation to the procurement of the Association's Reactive Repairs Contract and the possible appointment of Turners as the Association's Contractor.</p> <p>This has been a particularly challenging time for the TSM and his team. Procuring a new Reactive Repairs Contract is complicated and fraught with difficulty at the best of times. However the context of the pandemic has added another significant challenge which had to be overcome. The TSM said that it is to his team's credit that they have managed to get the Association to this position with relative ease and with customers not being unduly affected, (other than the restrictions being placed on us through Government Guidelines).</p> <p>The TSM explained that this report confirms that we have agreed to appoint Turner Services with a few conditions, which were detailed within the report. The standstill period has now ended and Turner will take up the contract on Monday 31st August, this contract will roll on from the current emergency contract that they have in place.</p> <p>A member asked if we could potentially end up in the same place we found ourselves in when the contract with MPS was withdrawn. The CE explained that there is nothing in the contract that we should be overly concerned about and Turner have been delivering this service to other Local RSL's without any issues, nor is there anything in the contract documentation or our research that would prevent us from awarding the contract.</p>	
17.1	Members NOTED the update provided by the Technical Services Manager.	
18.	Supporting Communities Funding – Offer of Grant	

	<p>Members were invited to consider a letter received by the Head of Housing Customer Services Manager from the Development Trusts Association Scotland confirming approval of application for grant funding.</p> <p>The Association has been granted a single payment of £18,000 from the Covid-19 Supporting Communities Fund.</p> <p>The Chief Executive explained that his has been used to provide support to the Community Council.</p> <p>A member said that he understood that the Community Council had been asked to move out of the Community Centre and were looking for alternative premises to use. The CE will ask the HOHCS to check with the Community Council to see if this was the case and if they required any assistance from us.</p>	
18.1	Members NOTED the details of the offer of Grant.	
19.	Arrangements for AGM – Verbal update	
	<p>The Chief Executive provided members with an update on the arrangement for this year’s AGM, which is due to take place virtually on Monday 21st September.</p> <p>Initial notification of the SGM/AGM has been sent out to all Share Members. At the SGM, members will asked to consider and approve the New Model Rules. Two thirds of those attending require to agree to the new rules in order for these to be approved.</p> <p>Paperwork for the AGM will be sent out 14 days prior to the date of the meeting. Invitations to join the meeting via Zoom will be sent to those who have confirmed their attendance.</p> <p>The CE encouraged all Board Members to attend the meeting where possible.</p>	
19.1	Members NOTED the details of the AGM.	
MATTERS FOR BRIEFING AND INFORMTION ONLY		
20.	EVH – Pay Award 2021	
	Members were invited to consider the letter from EVH providing information on the situation regarding the current pay award. At this point EVH are not asking for employers views.	
20.1	Members NOTED the information contained within the letter.	
21.	GWSF response to SHR consultation on changes to the regulatory framework	
	Members were invited to consider a report by GWSF as a response to the SHR consultation on proposed changes to the regulatory framework.	
21.1	Members NOTED the information contained within the letter of response.	
22.	SHR Covid Monthly Return July	
	Members were invited to consider a report prepared by the Chief Executive, the purpose of which was to provide the SHR with an update on the impact of COVID 19 on Social Landlords. Members were reminded by the CE that this report has already been submitted to the SHR.	
22.1	Members NOTED the information contained within the report.	
REGULATORY ISSUES		

23.	Notifiable Events	
23.1	There were no notifiable events for consideration.	
ADMINISTRATION		
24.	Issues which the Chair has agreed as urgent	
	There were no urgent issues for consideration	
25.	Meeting concluded - 7.10pm Date of next meeting – 23rd September 2020	

Signed: _____(Chair)