

MINUTES OF BOARD OF MANAGEMENT MEETING HELD ON WEDNESDAY 21 August 2019 AT 10.30 AM IN GRIERSON HOUSE, DUMFRIES

Members present: Bill Robertson (Chairman), Robert Carnochan, Irene Clark, Maureen Dowden, Rose Gowan, Michael Greaves Mackintosh, John Henderson, Heather Macnaughton, George McBurnie, David McMillan, George Thorley, and Elaine Tyler.

In attendance: Alex McGuire (Interim Chief Executive Officer), Jayne Moore (Director of housing Services), Hugh Carr (Director of Finance), Andy Ashcroft (Interim Director of Repairs), Eilidh Mowat (Company Secretary), Christopher Watt (Head of Corporate Business), Abigail Davies (Savills)

1. Statement of Conflict of Interest

Item 6 - Elaine Tyler and Rose Gowan as Tenant Board members who have applied for the tenant Board member vacancy and Maureen Dowden, Heather Macnaughton, Irene Clark and George Thorley.

2. Apologies

None

3. Minutes of Board of Management meeting of 26 June 2019

The Board **APPROVED** the minute of the Board of Management of 26 June 2019.

4. Chief Executive Update

The Chair requested that all staff leave the meeting, with the exception of the Chief Executive and the Company Secretary, to allow the Board to discuss a confidential matter. The minutes of the confidential matter are recorded separately.

The Board discussed the Tenant Satisfaction Survey and the % of returns. The Board discussed whether they might undertake a yearly survey – 3 years seemed too long between surveys. The Board noted the Wheatley Group approach, which is annual surveys and 'pulse' surveys.

The Board were updated on the progress of the Stock Condition Survey, noting that it will be finished on time and at this stage. The Board noted the positive news that the funds allocated within the Business Plan will be sufficient to fund the required investment work, but programmes might need to be re-prioritised to allow investment to be done in the right places. The Board **NOTED** the Chief Executive Update.

All staff re - joined the meeting.

5. Governance Review Update

The Company Secretary gave a report and updated the Board on the progress with the actions arising out of the Governance Improvement Plan. The Board noted that the actions in the plan are on track to be completed on time.

The Board **AGREED** to call an AGM on 17 September 2019 (to then immediately be followed by a meeting of the Board).

The Board discussed the Terms of Reference at length. The Board felt that the number and quorums for each committee should be the same and **AGREED** the number of each committee should be 5 with the quorum as 3. The committee discussed whether there should be an Independent place on the audit committee and on Novantia. The Board noted the rationale for the proposal, however felt that external advice could be sought through a number of sources and if an external member is needed for particular expertise then they can be co-opted on. The Board **AGREED** that the delegated authority to the Chair should not be so wide. The Board **APPROVED** the Terms of Reference for the Development Sub-Committee and the Audit Committee, subject to the changes discussed.

The Board **APPROVED** the role descriptions for the Chair, Vice Chair, DGHP Board Members and committee Chairs;

The Board **APPROVED** the amended Articles of Association of DGHP3 Ltd and Novantia Ltd;

Rose Gowan and Elaine Tyler left the meeting

The Board discussed the recent recruitment of Independent and tenant Board members. The Recruitment Panel provided a verbal update on the process. The Board noted the 8 applicants for the Tenant Board member position and noted that the preferred candidate met the skills expected of a tenant Board member and had given an exemplary interview. The Panel were unanimous in their decision. The Board **APPROVED** the appointment of John McCraw as a Tenant Board member with effect from AGM 2019; and **APPROVED** the appointment of Maureen Dowden, Irene Clark, Heather Macnaughton and George Thorley as Independent Board Members, with effect from AGM 2019;

Rose Gowan and Elaine Tyler re-joined the meeting

The Board discussed the new tenant engagement structure and discussed the terms of reference for the Tenant committee, known as the 'Tenant Voice'. The Board felt the report needed clarity on the direction of the 'Tenant Voice' and felt that the language in the report was confusing. The Terms of Reference needed to be considered further. The Board agreed that the Terms of Reference should be kept relatively wide.

The Board felt it would be helpful if this paper came back to the next meeting, with further clarity on the way forward. The Board discussed the name of the committee, debating whether the committee should include other residents. It

was **AGREED** that the name of the committee is the 'Tenant Voice' and that other vehicles to engage residents/owners can be explored. The Tenant Engagement strategy should set out how we engage with tenants beyond the Voice.

Action: Development committee and audit committee TOR's to reflect a membership of 5 with quorums of 3

Change delegations to Board Chair and committee Chair

Applications of 4 Independent members to be circulated to all Board members

Bring back the Tenant Voice report to next meeting for further consideration, including the TOR's for the Tenant Voice.

7. Wheatley Group Partnership Update

The Interim CEO gave a report and the Board **NOTED** progress with the implementation of the partnership with Wheatley Housing Group. The Board noted that 7,500 houses have now been visited face to face by staff. The feedback to date has been positive, with 85% of those spoken to in favour of the partnership.

The Board discussed the progress of the in-house repairs and received a presentation from Andy Ashcroft, interim Director of Repairs. The Board **AGREED** that Indigo House be instructed to prepare a high-level business case for the in-house repairs, the Board noting that this would be used as an independent assessment and analysis. The Board noted that Wheatley Group have agreed to pay for Indigo House's fees.

The Board asked whether our current IT provision will be able to interface with the new IT proposed for repairs (Servitor) and noted that extensive positive discussions have been ongoing regarding the IT solution. The Board asked what engagement had taken place so far with the contractor workforce and noted the discussions that have taken place with the Morgan Sindall workforce and the generally positive feedback received.

8. Draft Annual Assurance Statement

Abigail Davies, Savills gave a report outlining the background to the assurance statement and the expectations of the new Regulatory Standards. The Board indicated that The Board **AGREED** the approach to producing the 2019 Annual Assurance Statement, including use of the format set out in the appendix, and consider the areas of material non-compliance identified.

9. EMT review of internal controls assurance 2018/19

The Director of Finance gave a report.

The Board **NOTED** the report and Appendix 1, **NOTED** that the Audit committee recommend to the Board the APPROVAL of the statement of internal controls at Appendix 2 for incorporation into the audited financial statements of each of the companies; and **APPROVED** the statement of internal controls at

Appendix 2 for incorporation into the audited financial statements of each of the companies.

10. Annual accounts 2018/19

The Director of Finance gave a report.

The Board **APPROVED** the Annual Accounts for 2018/19 and **AUTHORISED** the Chair and Company Secretary to sign on behalf of the Board prior to submission to the Company Membership at the AGM; **NOTED** the Audit Management Letter; and **APPROVED** the Letter of Representation and **AUTHORISED** the Company Secretary to sign on behalf of the Board.

11. Draft Annual Report Card

The Director of Housing Services gave a report.

The Board noted the positive position to report to tenants and stakeholders. The Board asked that officers ensure that plain English is used throughout and no jargon used. It was also felt that some alternative photographs could be used in some areas of the report.

Action: To review the report and ensure plain English used

Change photographs of Board

12. Finance Report

The Director of Finance gave a report. The Board asked that future reports reflect the costs that are to be paid by Wheatley group.

The Board **NOTED** the deficit for the year to date of £1,886k, **NOTED** the commentary on the financial performance and projections; **NOTED** the loans balance at the end of June 2019 was £165m, comprising £110m with Dexia, £40m with THFC and £15m with Allia, and that net debt was £111,617m at 30 June; and **NOTED** compliance with all lenders' covenants.

Action: ensure future finance reports highlight costs that are to be paid by WG.

13. Performance Report – to end of July 2019

The Board noted the proposal to reduce the number of indicators in the Performance Pack. The audit committee will continue to receive the full pack to ensure a critical appraisal of all indicators. Any abnormal or changed indicators will be reported to Board by exception. The Board **NOTED** the content of the Performance Information Pack.

14. Void Management

The Director of Housing Services gave a report. The Board noted that a lot of the issues are due to the terms of the contract with Morgan Sindall, therefore difficult to change, especially given that we are at the end of the contract with Morgan Sindall. Some of the issues can be designed out when we bring repairs in house.

The Board **NOTED** the actions taken to reduce the void turnaround time.

Items 15 – 19 were deferred to the next meeting due to lack of time.

SIGNED:

DATE: