

COMMITTEE: MANAGEMENT COMMITTEE

ITEM 6.1

DATE: MONDAY 24TH JUNE 2019

VENUE: CONFERENCE ROOM

TIME: 6:30 PM

PRESENT: COLIN CAMPBELL (CHAIR)
JACKIE McKELVIE MBE (VICE CHAIR)
JUNE GLANCY (SECRETARY)
RONNY LEE
SHARON TRITSCHLER
VIVIENNE HEARTON

IN ATTENDANCE:- ANNE CULLEY, DEPUTE CHIEF EXECUTIVE OFFICER (DCEO)
BRIAN PRATIES, DEVELOPMENT & TECHNICAL SERVICES MANAGER (DTSM)
ALANA DURIN, FINANCE DIRECTOR (FD)
KATE DAHLSTROM, HOUSING SERVICES & PERFORMANCE DIRECTOR (HS&PD)
KIRSTY DAVIS, OFFICE MANAGER (MINUTE TAKER)

APOLOGIES:- JEANETTE DILLON
DAVID MCINDOE
SANDRA RORISON
DIANE MCCARNEY
NICK JARDINE

REFERENCE: MIN/MAN/24JUN19/KPD

**Welcome to:- Donna Milton, Arneil Johnston ~ 6:30pm
Phil Morrice, Alexander Sloan ~ 7:00pm**

1.0 CHAIRPERSON'S REMARKS

1.1 Health and Safety

The Chair welcomed all to the meeting and advised all of the relevant Health & safety information.

1.2 Apologies

Apologies were received from David McIndoe, Sandra Rorison and Jeanette Dillon, Diane McCarney and Nick Jardine

1.3 Declaration of Interest

There were no Declarations of Interest.

1.4 Gift & Hospitality Register

The DCEO advised of 2 small perishable gifts (chocolates and sweets) for staff members as a "thank-you" for good service:-

These items were noted by members and the Gifts & Hospitality Register was duly signed by the Chair.

2.0 DEFERRED ITEMS

Members noted the only item listed "Complaints Policy Review" is on this evenings agenda.

3.0 FOR DECISION

3.1 Governing Body Member Annual Review 2019

The Chair introduced and welcomed Donna Milton from Arneil Johnston who would be giving feedback following the recently completed OTHA Governing Body Annual Review.

Governing Body member role

Area: Personal effectiveness, expertise and contribution ~ Positive Confidence Levels

Some areas for improvement:-

- Contribution of new ideas
- Look more outwardly
- Housing innovation
- Better understanding of external pressures facing the business
- Improve questioning style in order to gain more assurance/scrutiny
- Refresher on duties and responsibilities

Governing Body member role

Area:- Experience and Expertise ~ Diverse range of experience and skills which combine to support the governance process

Suggested Actions:-

- Future recruitment could address a skills gap in digital service delivery given its increasing importance in transforming housing services
- Several GB members indicated that they would like to have a firmer understanding of asset management and planned maintenance
- IT general is a Board development issue
- GB skills enhancement in strategy development would be beneficial particularly as OTHA embark on a review of strategic objectives and consider its constitutional relationship with Cloch.

Business Assurance & Growth

Area:- Strategic Effectiveness ~ Reasonable Assurance Levels

Areas where assurance could be strengthened:-

- Clarity on relationship with CHA
- Secure understanding of the future relationship with CHA
- Clear vision of what OTHA want to achieve in the future and the objectives
- Clear purpose which guides planning and decision making on what OTHA do and how OTHA works

Suggested Action:

GB should engage in full discussion concerning its constitutional future and develop a clear vision of what OTHA wants/needs from its relationship with Cloch HA. The SMT should support the GB in thinking through the options and setting a strategic course.

Business Assurance & Growth

Area: Organisational Effectiveness ~ Reasonable Assurance Levels

Some lack of assurance focuses on:

- Evidence of low morale across/discontentment in OTHA staff base
- Concern regarding quality of relationship in the SMT
- Proceeding with a SMT review when there is no clear agreement on the future relationship with Cloch HA

Suggested Actions:

- The GB should engage with the SMT to resolve existing staffing engagement issues, improve organisational effectiveness and enhance customer focus
- Consideration to succession planning for key members of SMT

Business Assurance & Growth

Area: Operational Effectiveness ~ Reasonable Assurance Levels

Areas where assurance could be strengthened:-

- Customers empowered to scrutinise services and performance
- OTHA targets resources to greatest customer need/business risk
- Technology and systems are set up to minimise administration and support staff to do their jobs

Business Assurance & Growth

Area: Financial Effectiveness ~ Generally Strong Assurance

More assurance required over:-

- OTHA's approach to asset management and assurance that business plan contains adequate levels of investment

Business Assurance & Growth

Area: Financial Risk Management ~ High Levels of Assurance

Assurance could be enhanced on:-

- Identifying risks that might prevent it from achieving its purpose through effective strategies and systems for risk management and mitigation
- All GB members exerting positive challenge: assurance testing and questioning

Suggestions:-

- SMT consider developing "comparison with other operating models and types of reporting e.g. dashboards for KPI's"

- SMT consider introducing a longer planning cycle

Business Assurance & Growth

Top 5 priorities for the coming year:-

1. Supporting transformation: improving organisational effectiveness and employee engagement
2. Asset management strategy: low housing demand/void issues
3. Cloch/Oak Tree HA constitutional relationship
4. Migration to new offices
5. Housing development programme

Key risks to manage in the coming year:-

1. Demand for OTHA's housing stock: depopulation and RSL competition
2. Welfare reform and universal credit changes
3. New housing development programme
4. Resolving issues raised in Employee Engagement Survey
5. Managing the business transformation process

Governing Body Effectiveness ~ Positive levels of GB confidence & effectiveness

Assurance could be enhanced on:-

- GB capacity to hold SMT to account
- GB contribution to strategic direction and delivery plan for OTHA
- GB accountability to customers

What went well this year?

- Transformation agenda: employee engagement/structure, online portal, development, new office

What could have gone better?

- Clarity on strategic vision, improved knowledge of CHA constitutional relationship, early insight into SMT issues and staff disengagement

Governing Body Effectiveness

Most difficult decision in the last year?

- Business transformation agenda following employee satisfaction results
- Proceeding with SMT review while reviewing constitutional relationship with Cloch HA
- New build development: business cases/risk management
- Investment in new accommodation

It is clear that the GB members feel supported by staff and that the quality of that support is high, the following comments were made:-

- SMT are available to us and admin staff are good at supporting us
- Quality of committee papers: clearer Committee reports on strategic issues needed
- All very positive however clear that roles and reporting requirements (on partnership agreement with CHA) have not been fully implemented or understood by senior officers

Governing Body Chair ~ High Level of Assurance

Suggested Action:-

- Perhaps a little more control and management of agendas

Governing Body Training Needs

Suggested Actions:-

- Requirement for a clear training plan
- Be more confident about scrutiny (train to ask)
- Boost confidence and skills on asset management

Governing Body Observation

- Lots of positive interaction and work well as a group
- Discussion built upon good questioning
- Smaller number of areas where innovation or generating new ideas were raised
- Effectiveness as a collective could be improved in this area to influence debate
- Ongoing challenge to ensure that everyone is participating in making informed decisions.

The Chair thanked Donna for the presentation. Members generally felt the presentation was more useful/informative than the report which had been issued. The DCEO advised that the SMT had subsequently prepared a report in order to respond to a number of the comments made by members, at their skills audit meeting. Donna commented that it is clear that decisive action has already been taken in many areas and that an SMT report in response to the skills audit review report, is indeed helpful.

Members thanked Donna Milton for her feedback and presentation and she left the meeting at 7.10pm.

Members commented on the quality of the personal feedback which had been received. However did acknowledge that the annual Skills Audit is carried out primarily to ensure compliance with SHR guidance, which requires that Committee Members are subject to this annual performance review, to assess their contribution and effectiveness.

The Chair then introduced and welcomed Phil Morrice, Alexander Sloans to the meeting at 7:15pm

3.2 Approval of Annual Accounts 2018/19

Phil Morrice explained the accounting rules/arrangements/detail going forward relating to the SHAPS Pension (Item 29 of Annual Accounts). Members noted that the figures presented at the moment will not be meaningful at this time however will become progressively more meaningful as the years unfold. Members noted the information as advised.

Phil Morrice presented the 2018/9 Annual Accounts, with the additional following point being highlighted to members:-

Regarding donations, £25k was also provided to the Branchton Community Centre Association during the year. Branchton Community Centre Association paid £100k to Oak Tree HA for the sale of the Community Centre, with the agreement that £25k would be re-paid to them over the next four years, to assist with running costs. The sale value and donation plan are effectively cost neutral for Oak Tree. The will be explained at the AGM.

Members approved and signed the 2018/9 Annual Accounts.

Members thanked Phil Morrice for his presentation of the Annual Accounts and he left the meeting at 7.35pm.

- 3.3 Letter of Engagement
Noted by members.
- 3.4 Letter of Representation
Noted by members.
- 3.5 Audit Management Letter & Response Letter
Noted by members and duly signed by the Chair and Secretary of the Association.
- 3.6 Loan Portfolio SHR Return
Members noted the Loan Portfolio SHR Return and approved the contents for submission to the Scottish Housing Regulator.
- 3.7 5 year Financial SHR Return & 2019/20 Budget Amendment
The FD talked through the report, running through the Budget Amendments
Members noted the content, discussed and following discussion approved the content of the report for submission to the Scottish Housing Regulator.
- 3.8 Risk Management Strategy
The DCEO talked through the report and advised this policy had not previously been “de-grouped”. The DCEO also advised that the attachment “16/17 Risk Map” should not have been sent with this report. Members noted the Policy should in fact read “Last Review June 2019” and “Next Review June 2022”.
With these changes noted Members approved the Risk Management Strategy.
- 3.9 Annual Procurement Report/Procurement Strategy (*deferred*)
Members agreed with this item being deferred until August meeting.
- 3.10 Complaints Policy Review
The HS&PD talked through the two main changes proposed within the Complaints Policy Review:-
 - Senior Management Team sign off for Stage 2 complaints
 - Outline situations where Management Committee may be involvedThe HS&PD updated members that consultation (electronically, text messaging, tenant satisfaction survey) has received no feedback at all and the SPSO are still undertaking a review.
Members discussed and unanimously agreed with the report recommendations.
- 3.11 Asset Management Action based on 2017-18 SAMS Analysis
The HS&PD talked through this report, the contents of which were noted by Members. Members agreed that in keeping with core strategies that the budget be allocated in line with the recommendations of the report and that the selected targeted disposals be agreed on the basis of case by case assessment and that various pilots are agreed.
- The DCEO was requested to plan a training session on Asset Management and incorporate into a future meeting.**
- 3.12 Maple Road
The DCEO talked through the Maple Road report which recommends that a bi-monthly meeting is submitted on this ongoing project detailing the activities undertaken in each period. Also that a review is taken after six months with an

assessment on the success or otherwise of the initiatives being implemented (this should be submitted to the scheduled December 2019 Management Committee). **Members discussed and agreed with the report recommendations also noting that this will be picked up at the 16th July Senior Management Team meeting.**

The DCEO highlighted a potential GDPR issue relating to Appendix 2, however advised that it had been minimal and contained to staff and Management Committee Members. This matter will however be advised to the Data Protection Officer, who will take a view on this.

3.14 Annual Report

Members agreed to retain the current format of the Annual Report for a further year and review next year.

3.15 AGM Election Details

Members noted the AGM date this year is Tuesday 13th August 2019 with a fall back date of Tuesday 20th August 2019 in the absence of a quorum on 13th.

Members noted and agreed the members required to stand down this year are:-

- **Ronny Lee**
- **Colin Campbell**
- **June Glancy**
- **Vivienne Hearton**

3.16 AGM Planning (Format - Hub/Q&A etc)

Members discussed and agreed to retain the “Hub” and “Q&A” elements of the Annual General Meeting. Members noted the “Hub” would be more prominent this year.

3.17 Update Registration under Property Factors Act

Noted by members.

4.0 FOR INFORMATION/DISCUSSION

4.1 Secretary’s Statement

Noted and approved by members.

4.2 West Stewart Street

The DTSM talked through this report including project plan and cost proposals.

- Members noted the content of the report, project plan and increase in costs, [REDACTED], (increased to £800,000 in the SHR 5 Year Financial Projections Return)
- Revised budget requirement [REDACTED]
- Additional funds required [REDACTED]

Members discussed and expressed concern regarding the lengthy delay and increase in cost. However, members acknowledged that in the absence of the CEO the SMT had urgently addressed this matter, with this report being prepared by the D&TSM, which was an excellent report, in order to bring members fully up to date with this new office work and associated cost implications.

A discussion took place and the following points were raised:-

- Effectively one year behind schedule
- For audit and accountability suggestion to carry out two tender options i.e. full spec / lower cost acceptable option (audit and accountability)
- Re-visit once tender costs and specifications are received
- Works required are perhaps not as holistic as first thought

- Consider phased option of works if savings exercise required i.e. replacement windows
- Suggestion that Architect presents at the next meeting

The DECO advised that there will be an update report given now at every Management Committee meeting.

- 4.3 2018/19 Internal Management Plan 4th Quarter
Noted by members.
- 4.4 2018/19 Risk Map 4th Quarter
Noted by members.
- 4.5 2018/19 Customer Care 4th Quarter
Noted by members
- 4.6 2018/19 Complaints 4th Quarter & Cumulative 2018/19 Report
Noted by members.
- 4.7 2018/19 Wider Action 4th Quarter Report
Noted by members.
- 4.8 2018/19 Cloch Oversight Report 4th Quarter
Noted by members.
- 4.9 Quality & Efficiency Forum: Annual Statistical Review
Members agreed to defer this item to the August 2019 meeting.
- 5.0 FOR NOTING**
- 5.1 SHAPS – Letter to Employers
Noted by members.
- 6.0 FOR APPROVAL/RATIFICATION**
- 6.1 Management Committee Meeting of 28th May 2019
The minutes of the Management Committee Meeting of 28th May 2019 were proposed by Colin Campbell and seconded by Jackie McKelvie as a true and accurate record of the meeting.
- 6.2 Housing & Technical Services Sub Committee Meeting of 12th March 2019
The minutes of the Housing & Technical Services Sub Committee Meeting of 12th March 2019 were proposed by June Glancy and seconded by Ronny Lee.
- 6.3 Finance, Staffing & General Purposes Sub Committee of 26th March 2019
The minutes of the Finance, Staffing & General Purposes Sub Committee meeting of 26th March 2019 were proposed by Jackie McKelvie and seconded by Ronny Lee.
- 6.4 Joint Audit Committee Meeting of 14th November 2018
The minutes of the Joint Audit Committee Meeting of 14th November 2018 were proposed by Ronny Lee and seconded by Sharon Tritschler.
- 6.5 Joint Audit Committee Meeting of 7th February 2019
The minutes of the Joint Audit Committee meeting of 7th February 2019 were proposed by Ronny Lee and seconded by Jackie McKelvie.
- 6.6 Matters Arising
- Management Committee Meeting of 28th May 2019
There were no matters arising.
- Housing & Technical Services Sub Committee Meeting of 12th March 2019
There were no matters arising.
- Finance, Staffing & General Purposes Sub Committee of 26th March 2019
There were no matters arising.
- Joint Audit Sub Committee Meeting of 14th November 2018
There were no matters arising.
- Joint Audit Sub Committee Meeting of 7th February 2019
There were no matters arising.

6.7 Use of Seal

Members granted retrospective Use of Seal for the following:-

10th June 2019

Disposition, RTB Sale [REDACTED] Road, Greenock

6.8 Review of Detected Frauds Register

The DCEO read through the findings of the Joint Audit Committee confirming that as at 31st March 2019, no fraud has taken place at either Oak Tree or Cloch Housing Associations. There have been 2 attempted frauds, 1 for Oak Tree and 1 for Cloch Housing Associations. These attempts were spotted and prevented by vigilant staff members. **Members noted the Joint Audit Committee report and the Register of Frauds was duly signed by the Secretary.**

7.0 AFFILIATIONS/TRAINING & CONFERENCES

7.1 GWSF AGM

Noted by members.

8.0 A.O.C.B.

Loan Facility

The Finance Director confirmed that Patten and Prentice were working with RBS's lawyers in relation to the security required for the £9.7M loan funding facility with RBS as this has to be in place before any funds can be drawn down. As the next Management Committee meeting is not until 26 of August, it was requested that authority be delegated to the office bearers to take this forward / approve the legal documentation required to grant security, with a special meeting to be arranged. **The MC approved the request.**

BACS Payments

The Finance Director requested members approval to set up the Finance Administration Assistant as an authorised signatory for a 2 week period to cover short term annual leave period. **Members discussed and agreed to this request.**

There being no further business the meeting closed at 8:10pm with a vote of thanks to the Chair.

Post Meeting Note:-

Referring to agendas and meeting scheduling the Chair/Vice Chair and DCEO raised the following suggestions/points:-

- Agendas ~ content/size/organisation requires to be re-visited, key matters require priority
- Revert back to Special Management Committee Meeting for Annual Accounts
- Limit presentations to one per meeting
- Attempt to reduce "to-follow" reports
- From a Risk Management point of view consideration to be given to recruit some new members
- Attendance at meetings has reduced
- Concerning that 8 Management Committee members have stated they are undecided if they will remain on Committee

