

EAST LOTHIAN HOUSING ASSOCIATION

A meeting of the **Management Committee** was held on Thursday 25 August 2022 at 7.00pm

Present:

Peter Hayman	(6/6)	David Rose	(5/6)
Joyce Bolan	(4/6)	Peter Ewart	(6/6)
Brian Logan	(5/6)	Alan Forsyth	(4/6)
Iain Atkinson	(5/6)	Eileen Shand	(4/6)
Katrina Hamilton	(6/6)	Pamela Macleod	(5/6)

In attendance: Paula Oliver, Director of Finance
Martin Pollhammer, Chief Executive
Duncan Mackay, Director of Asset Management
Karen Barry, Director of Housing
Eric Stoddart, Executive Support Officer (Minutes)
David Jeffcoat, Alexander Sloan, Auditors

Observer: Paul Hillard

1.0 GENERAL

The Chair (Peter Ewart) opened the meeting and welcomed Paul Hillard, who was attending as an observer, and David Jeffcoat from the Association's Auditors, Alexander Sloan.

1.1 Apologies

Apologies were received from Jim Curran (2/6), and Shirley Evans (4/6).

1.2 Declarations of Interest by Management Committee Members

There were no Declarations of Interest.

1.3 Minutes of Meeting 26 May 2022

The Minutes were **approved** by the Management Committee. They were proposed by David Rose and seconded by Katrina Hamilton.

1.4 Action List

The Management Committee noted the report.

1.5 Matters Arising

There were no matters arising.

2.0 GOVERNANCE

2.1 Secretary's Report

The Chief Executive highlighted that an application for membership had been received from Paul Hillard, who was in attendance this evening, as an observer.

It was queried whether it was necessary to show Paul's full home address, which was detailed in the Secretary's Report. The Chief Executive advised that this has been standard practice and was principally to enable Management Committee members to understand if prospective members lived locally or had a local attachment. It was also advised that such details are redacted prior to the Minutes being published on the website, together with any other personal details in meeting papers.

Whilst this satisfied Management Committee members, the Chief Executive offered to check if there are wider points of reference, in connection with showing addresses, and what 'best practice' may suggest.

It was also noted that the Management Committee were asked to approve the use of the Seal for Homologation, in respect of Loan Agreement Facilities provided by Bank of Scotland, a Standard Security in favour of Bank of Scotland plc in respect of 42 residential units, and an Officers' Certificate – Loan Agreement with Bank of Scotland in respect of the Loan Agreement, Facilities.

The Management Committee **approved**:

- (a) The Applications for Membership; and
- (b) Homologated the use of the Seal.

2.2 Key Performance Indicators 2022/23

The Chief Executive indicated that there had been a good discussion on Unit Reactive Maintenance Costs at the Audit & Assurance Committee on Tuesday 23 August 2022. Further investigation of these costs is being undertaken to check whether they include works that should have been allocated elsewhere (for example, cyclical and planned maintenance costs). The outcome of investigations will be reported back to the Audit & Assurance Committee.

It was noted that 'Voids as a percentage of Rental Income' had been very high in Quarter 1, but the Director of Housing suggested this may be as a result of intentional changes to the Allocation Policy, which give greater priority to transfers and therefore create additional lets. This suggests the policy is starting to work in practice in the way it was intended.

The Management Committee noted the report for Information.

2.3 Annual General Meeting: Management Committee Membership

Under Rule 39.1 at least one third of the members of the Management Committee must retire. If no other members, or an insufficient number of members have indicated their intention to retire to fulfil this requirement, those with the longest period since their last election should retire. These are Joyce Bolan, James Curran, Shirley Evans and Eileen Shand.

Under Rule 37.6, the Management Committee must satisfy itself that any Management Committee member seeking re-election after a period of continuous service of nine or more years can demonstrate their continued effectiveness. Rule 37.6 applies to Joyce Bolan, James Curran and Shirley Evans.

It is the Chair's view that Joyce, James and Shirley continue to make a valuable contribution to the Management Committee's discussions and activities, so it is recommended that the Management Committee endorse the nominations of Joyce Bolan, James Curran and Shirley Evans for re-election at the forthcoming 2022 AGM.

The Chair advised that he had engaged with the Regulator in connection with ELHA's Management Committee Succession Plan, and the 'Nine Year Rule'.

The Management Committee is currently considering how to develop its Succession Plan to ensure the right balance of experience, renewal and refreshment of the Management Committee going forwards. This includes ensuring that the proportion of Management Committee members with nine or more years' service does not normally exceed 50%.

However, the discussions with the Regulator indicated that this target should be achieved in the medium term, and then maintained, rather than acting immediately in order to hit a target. Over the coming Management Committee year, the Succession Plan will be developed to ensure a smooth transition to reduce the current percentage (67% by the date of the 2022 AGM) to at or below 50%, and to maintain it at this level. This is likely to include further recruitment, along with agreement about which members might leave the Management Committee, and when, whilst ensuring the Management Committee retains the skills needed to continue to work effectively.

Another aspect of the Succession Planning is to consider what particular skills the Association is looking for in new members, and in the recent recruitment exercise, the following areas were identified where the overall skillset of the Management Committee could be strengthened:

- Digital and Information Systems
- Customer consultation, marketing and communications
- Provision of Housing and Support Services to Older People

The following skills were also felt to be desirable for potential Management Committee Members:

- Social Housing and Development
- Finance

The Management Committee **approved** the endorsement of the nominations for Joyce Bolan, James Curran and Shirley Evans for re-election to the Management Committee at the 2022 AGM, having been satisfied that their contribution continues to be effective and valuable.

3.0 PRIORITY ITEMS

There were no Priority Items.

4.0 POLICIES

4.1 Entitlements, Payments and Benefits Policy Review

A number of changes to the Entitlements, Payments and Benefits Policy were discussed and agreed at the March 2022 JCC meeting, relating to changes required by the publication of the revised Model Policy by the Scottish Federation of Housing Associations (SFHA).

The Policy was subsequently reviewed by the Association's solicitors, Anderson Strathern, which resulted in some further minor amendments. Anderson Strathern have also clarified that in implementing the revised model approach, in any circumstances where a Conflict of Interest is noted and recorded in the minutes of a Management Committee meeting, that individual should leave the meeting until any discussion has taken place. Even if no discussion is required, this should be confirmed in the absence of the Management Committee member recording the Conflict of Interest.

It was highlighted that where ELHA does not follow the SFHA Model Policy, is at Section 4.0, and this is because of the unique position with R3. Anderson Strathern have reviewed the Association's approach, and in order to continue to meet the Governance Standards, some minor changes are required to the 'Use of Association Contractors / Supplier Declarations' Procedure.

It was noted that a figure of £10k had been used to define 'material' in respect of Contractors. Brian Logan acknowledged that this level seems practical, and works, but queried whether this amount was a standard in the sector, or was an arbitrary figure selected by ELHA.

The Chief Executive will check with the SFHA for guidance and will report back on this.

The Management Committee ***approved***

- (a) The revised Entitlements, Payments and Benefits Policy; and
- (b) The revised Use of Association Contractors / Suppliers procedure.

4.2 Stress Policy Review

The Chief Executive highlighted that this policy is due for a periodic review, and that the proposed changes have been discussed and agreed with JCC.

The Management Committee ***approved*** the revised Stress Policy.

4.3 Property Maintenance (Legal Obligations) Policy Review

The Director of Asset Management advised that there were no material changes to this policy, although there have been extensive changes to the formatting.

The Chair mentioned that it had been difficult to review the updated policy given the level of changes, until a version accepting all changes had also been provided.

The Chief Executive said it was unusual for such a level of non-material changes to be required, but felt it was important to demonstrate that the policy had been fully reviewed by Anderson Strathern. Providing a clean version as well in this case had been a good suggestion.

Eileen Shand raised a couple of queries. Firstly, since ELHA has a Factoring Policy, which was introduced since the original Property Maintenance Policy was created, should there be links to it?

Secondly, it was queried whether the Association was no longer relying on the Tenancy Agreement, when forced entry is considered?

The Director of Housing stated that in most cases, Court approval would be obtained prior to a forced entry. Forced entry is currently being considered in relation to the installation of Smoke Alarms, but this is because this is a Health & Safety issue. In most cases, formal court action was not required in order to gain entry.

The Management Committee **approved** the revised Property Maintenance (Legal Obligations) Policy.

4.4 Treasury Management Policy Review

The Director of Finance advised that an annual review of this policy is normally undertaken in February / March when the Annual Treasury Management Strategy is approved. This year this was delayed, to enable new guidance introduced by the SFHA in early 2022 and revisions by CIPFA to its Code of Practice in 2021, to be considered.

Peter Ewart requested that the wording of the addition at 12.4 be re-considered, to see if it can be 'softened'. The Director of Finance agreed to investigate this.

Subject to the above point, the Management Committee **approved** the revised Treasury Management Policy.

4.5 Authorisations and Standard Charges and Allowances Policy Update

The Director of Finance advised that the only change was to add the R3 Team Leader to the list of staff authorised for an electronic credit card, as this would facilitate the ordering of goods and services from the planning office. The transaction and monthly limits are proposed to be the same as for the Contracts Managers.

The Management Committee **approved** the addition of the Team Leader to the list of R3 staff authorised to be issued with an electronic credit card.

5.0 BUSINESS MANAGEMENT

There were no items to raise under Business Management.

6.0 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

AGM: Thursday 29 September 2022 at Maitlandfield House Hotel, Haddington, at 2.30pm.

Meeting: Thursday 29 September 2022 at Head Office, Haddington, at 3.30pm.

**ADOPTION OF THESE MINUTES APPROVED AT THE MEETING ON
29 SEPTEMBER 2022**

Signed *Signature* (Chair)