

## Approved by Management Committee 26/09/19

### EAST LOTHIAN HOUSING ASSOCIATION

The Association publishes Management Committee minutes, once they have been approved by the Management Committee. This approval usually happens at the meeting following the one the minute relates to.

As these minutes are publicly available, some information is removed, for example because it contains personal information about an individual or member of staff, or because it contains other confidential or sensitive information. This is a process known as “redacting”, and where this happens, this section of the minute is blocked out as follows: [REDACTED]. Where a Confidential or Private & Confidential item is discussed, no public minute is published.

A meeting of the **Management Committee** was held on Thursday 15 August 2019 7.00pm, Conference Room, ELHA Head Office, Haddington.

<b>Present:</b>	Brian Logan	(5/6)	Peter Hayman	(6/6)
	Frank Colston	(6/6)	Eileen Shand	(4/6)
	Jim Curran	(3/6)	Robert McNeill	(4/6)
	Joyce Bolan	(5/6)	Peter Ewart	(5/6)

**In attendance:** Paula Oliver, Director of Finance  
Martin Pollhammer, Chief Executive  
Duncan Mackay, Director of Asset Management  
Karen Barry, Director of Housing  
David Jeffcoat, Alexander Sloan (External Auditor)  
Phil Morrice, Alexander Sloan (External Auditor)  
Janice Thomson, (Minutes)

#### 1.0 GENERAL

The Chair welcomed David Jeffcoat and Phil Morrice from Alexander Sloan and Iain Atkinson who was observing the meeting as a potential Management Committee Member.

#### 1.1 Apologies

David Rose (5/6), Shirley Evans (3/6), Alan Forsyth (4/6).

#### 1.2 Declarations of Interest by Management Committee Members

There were no declarations of interest.

#### 1.3 Minutes of 30 May 2019

The Chief Executive explained that in order to comply with the Freedom of Information Regulations (Fol) and regulatory Code of Governance, all Management Committee minutes now need to be published. To ensure that no confidential or sensitive information is contained within the minute, any such information would be redacted.

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Any items marked Private & Confidential on the agenda and any discussion or recommendations of these agenda items would also be redacted. Only where there are any material redactions in future minutes, would both sets of minutes be submitted to the Management Committee for approval. The set of redacted minutes would be posted on elha.com.

The Management Committee asked that in Agenda Item 3.3, the loan amount be redacted.

The minutes were proposed by Peter Hayman and seconded by Frank Colston.

The Management Committee **approved** the following subject to the above amendment:

- (a) The minute of the meeting held on 30 May 2019; and
- (b) The "For Publication" minute of the meeting.

### 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**

An updated report was tabled at the meeting.

#### *Membership:*

One new application for membership has been received:

██████████.

The Management Committee **approved** the application for membership.

### 2.2 **Housing & Property Sub-Committee Report**

The Management Committee noted the report for information.

### 2.3 **Finance & Audit Sub-Committee Report**

The Management Committee noted the report for information.

### 2.4 **Care & Repair Manager's Report**

The Management Committee noted the report and that the application to BeGreen to continue to provide draught proofing materials to clients up to the value of £25 had been approved.

### 2.5 **Key Performance Indicators 2019/20**

The Management Committee noted that the overall performance was good. However, the performance of the Key Tenant Scheme was disappointing with only a small increase of tenants upgrading to Gold or Platinum. The good

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attendance levels for both Management Committee and Sub-Committee meetings was noted.

### 2.6 **Complaints Analysis 2019/20, Quarter 1**

The Management Committee noted the report.

### 2.7 **Annual General Meeting; Management Committee Membership**

The Management Committee discussed the report and agreed that James Curran and Brian Logan contributed effectively as Management Committee Members and agreed with the recommendation of their endorsement for re-election.

The Management Committee **endorsed** the nominations for James Curran and Brian Logan for re-election to the Management Committee at the 2019 AGM, having been satisfied that their contribution continues to be effective and valuable.

### 2.8 **Standing Orders Review**

The Management Committee discussed the report.

The Chief Executive confirmed that the majority of performance reporting including management accounts would go to the Audit & Assurance Committee. Should the meeting be held during the working day this would lend itself to allow all the Managers to attend the meeting. This would strengthen the link between the Management Committee and staff as well as allowing staff to add information in relation to performance management or audit recommendations.

It was proposed that up to ten members of the Management Committee may sit on the Audit & Assurance Committee with a quorum of three.

In general, the Management Committee agreed with the proposals however they decided to wait until the September 2019 meeting before reaching a decision on day and meeting time for the Audit & Assurance Committee.

The Management Committee also suggested that Section 8 of the Standing Orders (Minutes of Meeting), should include a sentence regarding the publishing of minutes.

The Management Committee:

- (a) **Adopted** the revised Standing Orders from 1 September 2019 subject to the above amendment regarding the publishing of minutes; and
- (b) **Agreed** to defer their decision on the timing of the Audit & Assurance Committee meetings until the September 2019 Management Committee Meeting.

## 3.0 **PRIORITY ITEMS**

### 3.1 **Audit Report from the Finance & Audit Sub-Committee**

The Management Committee noted the Internal Audits that had been completed during the last year.

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The External Auditor went through their management letter explaining the risk areas identified and their findings for each risk. All transactions and policies were as required, and no issues were identified.

The Management Committee also noted the proposed response from the Association.

The Management Committee approved:

- a) The Association's response to the Management Letter from the External Auditor (**Appendix 3**).
- b) A fee of £[REDACTED] (excluding VAT) to be paid to Alexander Sloan for their audit of the Association's Financial Statements for the Year Ending 31 March 2019.

### 3.2 Financial Statements for the Year to 31 March 2019

The Committee noted the report and the additional maintenance spend in the last quarter of the financial year. It was noted that in Appendix 2; Letter of Representation, the date for signing should be 15 August 2019 and not 5 June 2019 as stated in the letter.

The Director of Finance highlighted the changes in the financial statements arising from a change in the accounting treatment of the pension. Previously, The Pensions Trust has been unable to provide figures for the Association's share of the assets and liabilities of SHAPS (Scottish Housing Associations' Pension Scheme), but they are now able to do so as from 1 April 2018. This has meant that the Association can now account for its share of the SHAPS net liability in the Statement of Financial Position. This has introduced further complexity into the financial statements as explained in the cover report.

The Management Committee:

- a) **Approved** the additional maintenance expenditure as noted in the report in the last quarter of the financial year;
- b) **Approved** the Financial Statements for the year to 31 March 2019;
- c) **Authorised** Joyce Bolan, Secretary to sign the Report of the Management Committee;
- d) **Authorised** Peter Ewart, Chair; Brian Logan, Vice Chair; and Joyce Bolan, Secretary to sign the Balance Sheet on Page 9;
- e) **Authorised** Peter Ewart, Chair and Joyce Bolan, Secretary to sign the Letter of Representation on behalf of the Management Committee;
- f) **Approved** the Care & Repair Service Income and Expenditure Account for Year to 31 March 2019; and

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- g) **Authorised** Peter Ewart, Chair and Martin Pollhammer, Chief Executive, to sign the Approval Certificate for the Care & Repair Income and Expenditure Account for the year to 31 March 2019.

### 3.3 Consolidated Financial Statements for Year to 31 March 2019

The Management Committee noted the report. The External Auditor confirmed that as a Group there was a requirement for Consolidated Statements to be produced, and the statements were useful for showing Group interactions and to give a true picture of the net transactions across the Group overall.

The statements showed that there was very little difference between the Group and ELHA surplus and the Group net assets and those of the parent, both which meant the Group as a whole was performing well.

The Management Committee:

- a) **Approved** the Consolidated Financial Statements for the year to 31 March 2019;
- b) **Authorised** Joyce Bolan, Secretary to sign the Report of the Management Committee; and
- c) **Authorised** Peter Ewart, Chair; Brian Logan, Vice Chair; and Joyce Bolan, Secretary to sign the Balance Sheets.

### 3.4 Private & Confidential Item

### 3.5 Private & Confidential Item

### 3.6 Private & Confidential Item

### 3.7 RBS Refinancing Proposals

The Management Committee noted that the option offered by the Royal Bank of Scotland (RBS) as set out in the report had a higher financial risk than any benefit. In order to ensure that borrowing did not exceed the allowed amount of £[REDACTED] annually, the Associations development programmes would have to be managed carefully, although clarity was still required from the RBS about the definition of a year – whether that was a calendar year, financial year or rolling year.

The Management Committee agreed to **decline** the Royal Bank's refinancing proposals at this time.

**At this point the external auditors left the meeting.**

### 4.0 POLICIES

There were no policies for review.

## 5.0 BUSINESS MANAGEMENT

### 5.1 Chief Executive's Report

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From the report the Chief Executive highlighted the following:

### *GDPR Compliance Group*

In addition to the report, the Chief Executive explained that there had been a data breach which had been reported to the Information Commissioners Office (ICO). A full report would be presented to the next Management Committee meeting in September 2019; the breach had happened too close to the meeting to prepare a full report in time, and in any case no response had been received from the ICO. It was confirmed that appropriate reports had also been sent to lenders to ensure covenant compliance, but that at this stage there was no need to report this to the Scottish Housing Regulator as a Notifiable Event.

### *Development*

The development proposal for the Granary was progressing. There had been an issue regarding car parking in the local newspaper, but further information had now been submitted to the planning department. Indications were that approval would be recommended by Council Officers, however final confirmation of this was awaited, and the proposal could still be called in by Councillors.

The Association will now take forward a planning application for four additional homes in Dirleton, at the site of the existing disused workshops.

### *My New Home*

The service was working well with fifteen tenants having used the system so far, all of whom have also kept to the terms of the Key Tenant Scheme to date. All tenants offered the service to date have chosen to use it.

### *Key Tenant Scheme*

The response to the initial promotion was disappointing and a revised scheme is under development.

### *ICT Strategy*

This has now been drafted, but final consultation is being undertaken with the Business Management Team. The final strategy document will be presented to the September 2019 Management Committee meeting.

## 5.2 Private & Confidential Item

## 5.3 Private & Confidential Item

## 6.0 ANY OTHER BUSINESS

The Chief Executive reminded the Management Committee about the Annual General Meeting on Thursday 26 September 2019, and that if they were unable to attend it would be appreciated if they could complete and return their proxy form.

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### 7.0 DATE OF NEXT MEETING

**AGM:** Thursday 26 September 2019 at The Maitlandfield Hotel, Haddington, at 2.30pm

**Meeting:** Thursday 26 September 2019 at ELHA Head Office Haddington, at 4.00pm

**ADOPTION OF THESE MINUTES APPROVED AT THE MEETING ON  
26 SEPTEMBER 2019**

Signed \_\_\_\_\_ Peter Ewart (Chair)