

Minutes of the Board Meeting held on Thursday 16 February 2017 at 10:00 a.m. at Leving House, Livingston

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Present:	Frances Wood (Chair)	In attendance:	Julia Fitzpatrick - from item 4023
	Bob Hartness		Isla Gray – from 4023
	Bob McDougall		Elaine Whyte *
	Chris Baird		Sharon Brady-Wardrope*
	Grant Carson		Lorraine Utterson*
	Jill Pritchard		Susan Fisher – items 4022 and 4029
	Stan Rae		Emma Russell (Minutes)*
	Susie Fitton		Jen Clarke – item 4022
			Craig Sanderson – items 4022 & 4023

\*Present from item 6 (4024)

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## **BUSINESS**

### **4020 DECLARATIONS OF INTEREST**

### **4021 APOLOGIES**

Apologies were received from Douglas Taylor and Stuart Dow.

### **4022 Link Group Senior Management Group Salary Benchmarking Exercise & Review of Remuneration Policies**

This item was considered as confidential business, and a separate confidential minute prepared. No Horizon staff were in attendance for this item; the Board was advised by Jen Clarke and Susan Fisher of Link Group.

### **4023 Link Group Strategy Development/Business Planning 2017-2022**

Link Group Chief Executive Craig Sanderson gave a presentation to the Board outlining the Link Group Strategy and Business Plan for 2017/2022. This was wide ranging and introduced Link's plans for significant housing development and the proposal for an options appraisal on the group structure. Discussion followed in response to Board member questions, comments and concerns. It was noted that this started a conversation and consultation which would continue in the Business Plan period.

The Board noted the proposals for the Link Group strategy and Business Plan, thanking Craig Sanderson for his input.

[Craig Sanderson left the meeting.]

### **Decision**

It was agreed that Horizon's next steps should be to consider the range of options for the group structure that it would wish to see explored and appraised in this exercise, and to articulate clearly criteria for Horizon's own options appraisal.

The timing for sharing information with staff was discussed and it was agreed that once Link Group Board has received reports back from Craig Sanderson's attendance at subsidiary Board meetings, the options to be explored and process will be shared with staff.

## **4024 Items for Debate / Decision / Action**

### **4025 Business Plan 2017-2021**

The previously circulated Business Plan was discussed with the following amendments proposed:

- Addition of plans to acquire two or more properties for shared ownership under the Access Ownership programme, on behalf of Link.
- Adding continuing support for Home2Fit to the action plan.
- Strengthen the wording of the second objective to highlight Horizon's objective to be an exemplar of good practice in relation to accessible homes.
- Provide more specific targets or measures for some of the actions.

**Decision:** The Board approved the Business Plan, with these amendments, for submission to Link Group and incorporation into the Group-wide Business Plan. The KPI indicators and targets proposed with the plan were also approved.

## **4026 Rents and Service Charges Review (A)**

The Board discussed the previously circulated report. Attention was drawn to paragraph 5.4 which highlighted the decision by the Audit Sub Committee to explore the viability of reducing the proposed rent increase to 2%.

Lorraine Utterson confirmed that the proposed budget remained viable should the rent and services charge increase be reduced to 2%, as mitigating savings had been made. It was noted that a further rise in inflation, to 1.8%, provided further context in terms of minimising rent increase for tenants in face of increasing costs. At the same time, the impact of the proposed lower increase over 30 years was noted.

**Decision:** The Board approved a rent increase of 2% to rent and other charges, an increase of 2.0% to management and maintenance charges only for Access Ownership properties and an increase of 3.2% for leased non-domestic properties.

**4027 Cost of Living Award**

The Board considered the previously circulated paper.

**Decision**

The Employment Sub-Committee's recommendation for a cost of living award of 1.6% was approved.

**4028 Budget 2017/2018, 5 & 30 Year Financial Projections**

The previously circulated budget 2017/2018, 5 & 30 year financial projections were discussed, having been scrutinised at the recent Audit, Finance and Risk Sub-Committee meeting.

Lorraine Utterson drew attention to:

- The demonstration of organisational viability and the projected positive cash flow over 30 years.
- The pension deficit assumptions and work being undertaken with Spence & Partners to achieve a professional view on the 2015 SHAPS valuation, and reasonable basis for pension deficit assumptions and figures shown in the accounts.
- The rise in ranking of the sensitivity to increases in void levels, from the 6<sup>th</sup> most significant sensitivity to 4<sup>th</sup>, related to the impact of reducing the rent and service charge increase.

**Decision:** The Board approved the proposed Revenue and Capital budgets and the 30 Year Financial plan.

**4029 Organisational Structure and Posts**

This item was considered as confidential business, and a separate confidential minute prepared.

**4030 Nationwide Building Society – Expiry of Fixed Rate**

The previously circulated reported was reviewed and discussed.

**Decision:** The Board approved the proposal to fix £1.5m of loans for 5 years at a rate of around 1.09%, with the understanding that should there be any material variation from this rate the matter would again be reviewed.

**4031           Bad debt write-off**

The previously circulated report was discussed. It was noted that future review of the Audit, Finance and Risk Sub-Committee's remit would consider full delegation of bad debt write-offs.

**Decision:** The board approved the write of off £5529.62 bad debt, of which £2557.06 was former tenant arrears, as well as former tenant credit balances of £2307.16.

**4032           Items for Performance and Risk Management and Monitoring**

**4033           KPI's Quarter 3**

The previously circulated Quarter 3 KPI report was discussed with the significant downward trend in average days to re-let a property noted.

Performance on adaptations completion times was discussed: it was accepted that the Annual Return on the Charter requires this to be reported as an average for all adaptations, but agreed that Horizon's reports provide further detail and report on the impact on reported performance of complex cases.

The Board noted the continued improvement in performance and thanked the staff for their efforts.

**4034           Management Accounts Quarter 3**

The previously circulated Management Accounts for Quarter 3 were reviewed and approved.

**4035           Risk Register 2016/17: Monitoring of top risks**

The Board noted the previously circulated report and approved that a review of the entire risk register be undertaken by the Audit Sub Committee in May 2017. The revised risk register will be presented to the June Board meeting for review and approval.

**4036           Approval of the minutes of the meeting held on 15 December 2016**

The minutes of the meeting held on 15 December 2016 were approved as an accurate record of the meeting.

**Moved:** Bob McDougall

**Seconded:** Chris Baird

**4037           Matters arising from the minutes of the meeting held on 15 December 2016**

**4037.1 Foulshiels Road, Stoneyburn**

It was reported that development of the Foulshiels Road, Stoneyburn site will commence on the 27 February 2017. Following a 32 week programme, handover of the completed properties is anticipated to take place by mid October 2017.

**4038 Asset Management Strategy update**

The Board noted the progress to date with Horizon's Asset Management strategy as outlined on the previously circulated report.

**4039 ANY OTHER BUSINESS**

**4039.1 Ministerial Visit**

MSP Angela Constance in her capacity as Cabinet Secretary for Communities, Social Security and Equalities will visit Horizon's Fauldhouse development and meet with representatives from Horizon and Link on Monday 6 March 2017.

**4040 Date of the next meeting**

The date of the next meeting is Thursday 20 April 2017 at 10.00am in Livingston.

Signed: .....

Date: .....