



Minutes of the Board Meeting held on Thursday 13 July 2017 at 10:00 a.m. at Leving House, Livingston

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Present:	Bob Hartness (Chair)	In attendance:	Julia Fitzpatrick*
	Bob McDougall		Isla Gray*
	Chris Baird		
	Stan Rae		Fiona Hoffie*
	Stuart Dow		Lorraine Utterson*
	Susie Fitton		Susan Fisher
			Emma Russell* (Minutes)

\* Except for Private/Reserved items 4097-4101

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#### **4095 APOLOGIES**

Apologies were received from Frances Wood and Jill Pritchard.

#### **4096 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **PRIVATE/RESERVED BUSINESS**

##### **4097 – 4101**

The items below were considered as confidential business and a separate confidential minute prepared. No Horizon members of staff were present. Susan Fisher, HR Business Partner, was in attendance,

- Approval of confidential minute of meeting held on 15 June 2017
- Performance Management Pay and Reward Policy – Managing Director
- Managing Director terms & conditions
- Performance Management Pay Awards 2017
- Performance Management Pay and Reward Policy: All Staff

## **BUSINESS**

### **4102 APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 15 June 2017 were approved as an accurate record of the meeting.

Moved: Bob McDougall

Seconded: Stuart Dow

### **4103 MATTERS ARISING**

#### **Board Recruitment**

Julia Fitzpatrick reported that four Board member applications had been received with all meeting the short list criteria. It was noted that there are five vacancies, of which one is reserved for a Horizon tenant, under the current Standing Orders. Following discussion, the Board agreed the proposed interview process, and decided that four vacancies could be filled in this recruitment round in the event that all candidates satisfied the appointment criteria.

#### **Governance Learning and Development Programme**

It was noted that the programme would be amended to reflect the change in date for the Board tour and an updated programme would be placed on the extranet.

### **4104 Management Accounts 1 April 2016-31 March 2017**

The Board considered the previously circulated Management Accounts and adjoining report for the period 1 April 2016 to 31 March 2017, noting the yearend adjustments. The following points were highlighted or clarified:

- The accounts had been by the Audit Sub Committee, which recommended these to the Board.
- The impact of changes in the treatment of pension costs had increased the statement of overall surplus.
- It was noted that the pension liability/valuation is not a static figure and the uncertain financial environment will continue to affect fluctuations in the pension liability calculation. The new method reduces the likelihood of significant variations compared with the previous methodology.
- It was confirmed that the new methodology for calculating pension deficit liability had been endorsed by the auditors,

KPMG, and that this is likely in future years to become the method required by the SORP body. It was also noted that the loan covenants are not affected.

- The release of bad debt provision related to the Gyle window works had made a positive impact on the results; and it was noted that full payment had been received in June 2017.
- Technical adjustments had been made to the accounting for shared ownership account balances related to maintenance.

The Board noted that the underlying surplus for the year, excluding pension calculations, was higher than budgeted and that the presented accounts showed good results for the year.

**Decision:** The Board approved the Management Accounts for the Period 1 April 2016 – 31 March 2017 as recommended by the Audit Sub-Committee.

#### **4105 Audited Financial Statements for the year ended 31 March 2017**

Members reviewed the previously circulated Audited Financial Statements for the Year Ended 31 March 2017, which had been considered in detail by the Audit Sub Committee at its meeting on 5 July.

Lorraine Utterson drew attention to and explained the items highlighted in the circulated accounts:

- As previously explained, the statement of surplus and statement of changes in reserves (page 14 of the accounts) reflected the impact of the re-measurement of the pension liability.
- Provision for Liabilities and Provision of scheme liabilities (pages 15 and 27) had been split and capital reserves adjusted to identify the pension liability.
- The entries under Capital and reserves should be deleted, leaving a simple statement of share capital and revenue reserves.
- A further change was required to Note 19 (page 32) as KPMG had advised that to match the presentation of units in the consolidated accounts, supported accommodation should be expressed as the number of bedspaces available rather than the number of properties. This number will therefore change from 11 to 44.

**Decision:** Subject to the noted minor amendments, the Board approved the annual audited accounts and delegated that Bob Hartness and Frances Wood sign the accounts on the appointed date.

Moved: Stan Rae  
Seconded: Bob McDougall

**4106 External Audit Highlights Memorandum 2017**

The Board reviewed the previously circulated Audit Highlights Memorandum (AHM) produced by KPMG. It was noted that Rachel Slaski from KPMG had attended the Audit Sub-committee meeting on 5 July and had reported that KPMG was satisfied with the approach to pension liabilities. .

The Board noted that it was a clean audit report and that no issues of control had been identified.

**Decision:** The Board approved that a response be made thanking KPMG for its audit,

**4107 Auditors Letter of Representation 2017**

**Decision:** The Board approved the previously circulated Letter of Representation for issue to KPMG.

Moved: Chris Baird  
Seconded: Stan Rae

**4108 Link Governance Structure: Consultancy Brief**

Members discussed the previously circulated report, which had collated comments received from some Board members on a draft consultancy brief prepared by Craig Sanderson.

There was a wide ranging discussion of the matters which should be included in a draft brief, proposals for the approach a consultancy project could take and discussion of the options for Link's governance of the project

It was agreed that Julia Fitzpatrick would prepare a further short paper to reflect the suggestions made and questions raised by Horizon Board members, and circulated for rapid further comment to enable the paper to be provided as a response to Link Group Chief Executive Craig Sanderson prior to the Link Group Board meeting scheduled for Tuesday 18 July 2017.

**4109            Transfer of Minute of Agreement with Thistle Foundation.**

Members discussed the previously circulated report which proposed the Thistle Foundation's transfer of a Minute Agreement, between Horizon and the Thistle Foundation, relating to properties in Renfrew. Thistle proposed to assign the terms of the agreement to another support provider, Partners for Inclusion.

**Decision:** The Board approved the proposed transfer of the Agreement from the Thistle Foundation to Partners for Inclusion.

**4110            AOB**

**Blackwood Housing Association**

Grant Carson reported that he had attended the launch of Blackwood Housing Associations newest accessible home in Dundee. Grant advised that he was highly impressed with the planning and standard which had been incorporated in their design and believed that there were lessons to be learnt from their construction.

**4111            2017-2018 Elections to the Scottish Federation of Housing Associations (SFHA) Board**

Members were reminded that the 2017-2018 nominations to the SFHA are now open, with one vacancy for the Urban Area constituency, which includes Horizon, should any member seek nomination.

**4112            Board Tour**

Arrangements for the planned Board tour to the CCG Timber factory and new development at Stoneyburn on Thursday 17 August were noted, and that final details would be confirmed shortly.

**4113            Date of the next meeting**

The date of the next meeting is Thursday 17 August 2017 at 10.00a.m, in Livingston.

Signed: Robert B. Mackenzie            Date: 17/8/17