

Minutes of the Management Board meeting held on Tuesday 7 September 2021 at 6.00pm using ZOOM Video Communications.

Present: David O'Hara (Chair)
Joan McFarlane
Elspeth Kerr
David Riddell
Josephine Barnshaw
Andrew Loen
Helen Eakin
Margaret Bowie
Vincent Ogar
Kayleigh Watt
Tiffany Harvey

In attendance: Pauline Burke, Director
Duncan McKnight, Technical Manager
Stephen Watt, Corporate Services Assistant
David Ampofo, FMD Consultant

In light of the current coronavirus situation and Government guidelines, Board and staff agreed that the meeting would be via Zoom video communication.

The Chair invited the Board to welcome new Board members V Ogar and Co-optee T Harvey

The Chair confirmed new member K Watt will attend the meeting around 7pm due to work commitments

Welcomes were offered to David Ampofo from FMD Financial Services who will present agenda item 5.3.

1. Apologies

1.1 Apologies were received from J Devine and staff member J McGoran.

2. Declaration of interest

2.1 There were no declarations of interest.

3. Minute of the previous meeting

3.1 The minute of the meeting on 3 August 2021 was proposed by E Kerr and seconded by D Riddell. These minutes will be signed at the first available date due to Covid-19 restrictions.

Action – S Watt

3.2 The minute of the elections meeting on 25 August 2021 was proposed by A Loen and seconded by J McFarlane.

4. Matters arising

4.1 P Burke informed the Board that J Hunter has resigned for personal reasons. Jean has advised that she may consider returning in future. Board accepted J Hunter's resignation.

5. Director's report

5.1 Management Accounts to 30 June 2021

5.1.1 D Ampofo of FMD Financial Services presented to the Board the Management Accounts for the period to 30 June 2021.

5.1.2 The total comprehensive income (surplus) for the year to 30 June 2021 was £137,595 v budgeted surplus of £58,032 resulting in a favourable variance of £79,562. The Board noted that the budget for the first quarter included £33.3k for actuarial gain (loss) on pension scheme, however actual figures are calculated at the end of each year using the DB Accounting tool provided yearly by The Pensions Trust (TPT).

5.1.3 Miscellaneous Income has an unfavourable variance of £5,038 Minimal work was carried out in quarter 1 in medical adaptations therefore no claim was made. It is anticipated that as the year progresses actual income received will be more in line with budget.

5.1.4 Estate Costs-Housing Management are under budget with the exception of welfare rights provision which is due to the significant increase in daily rates. Due to this, Board were advised that the projected overspend compared to budget will be approximately £6k by the end of the financial year.

- 5.1.5 Estate costs-Housing Maintenance, with the exception of general and reactive repairs, remain on budget in the first quarter due to higher void costs and repairs that were on hold due to pandemic restrictions being processed. D Ampofo advised that the Planned Maintenance program was accelerated at the start of the new financial year with the bulk of bathrooms, kitchens and boilers being on site and completed in the 1st quarter.
- 5.1.6 Board were advised that there had been a reduction in current assets in the first quarter primarily due to a reduction in cash which is a direct result of the payment of a large portion of the planned maintenance program of approximately £180K
- 5.1.7 Asset cover ratio covenant has been met for the period. Due to the acceleration of the planned maintenance program in the first quarter interest cover ratio is less than budgeted, however as the year progresses and turnover increases Interest cover ratio will come into line with budget.
- 5.1.8 The Co-operative's financial position remains robust however the UK continues to be impacted by Covid-19 and the impact of Brexit therefore there is still an element of uncertainty as to what the next quarters will bring. D Ampofo advised that staff continue to monitor the situation for early signs of potential impacts on the Co-operative's finances.
- K Watt joined the meeting at 6.22pm.
- 5.1.9 The Board sought an explanation on expenditure of committee costs beneath the overheads heading. It was explained that these costs were accrued through various training such as equalities.
- 5.1.10 The Board approved the Management Accounts to 30 June 2021.

5.2 Shawbrook bank – 1-year fixed term deposit rollover

- 5.2.1 D Ampofo advised the Board that the Co-operative's £85,000 1 Year Fixed Interest deposit with Shawbrook Bank will mature on 13 September 2021. Shawbrook are offering one of the most competitive rates in the market at 0.8%i. The recommendation therefore was that the current £85k deposit should be rolled over into the Shawbrook 1 Year fixed term deposit.
- 5.2.2 Board noted and approved the rollover of the 1 Year Fixed Interest deposit with Shawbrook.

Action – J McGoran

5.3 Office of the Scottish Charity Regulator (OSCR) return

5.3.1 D Ampofo informed the Board that the Co-operative is required to make a return to the charity regulator, OSCR, by the end of December each year. The return for 2020-21 was attached with the Board papers at item 5.3(i).

5.3.2 Board considered the return and approved the submission to OSCR.

Action – J McGoran

5.4 Financial Conduct Authority return

5.4.1 D Ampofo informed the Board that the Co-operative is required to make a return to the Financial Conduct Authority (FCA) by the end of October each year. The return for 2020-21 was attached with the Board papers at item 5.4(i).

5.4.2 Board considered the return and approved the submission to the Financial Conduct Authority.

Action – J McGoran

5.5 SHAPS Financial Assessment 2021

5.5.1 D Ampofo informed the Board that annually The Pensions Trust issue a financial questionnaire to ascertain the financial strength or “covenant” of the Co-operative who are members of the Scottish Housing Associations Pension Scheme (SHAPS). The financial assessment questionnaire has been received and it is required to be completed and returned by 24 September 2021.

5.5.2 The Board noted the financial assessment KPI scores demonstrated the Co-operative is in the “Low” risk category. The submission to The Pensions Trust was approved.

Action – J McGoran

5.6 30 Year projections

5.6.1 D Ampofo presented a summary of the Co-operative’s 30-year projections highlighting the key issues facing the business which include future rent levels, planned maintenance costs, management administration, interest rates, inflation, treasury strategy, and the possible impacts of both post-Brexit and Covid-19 amongst others.

5.6.2 The Board were informed of the main assumptions used and outcome projections based on these assumptions. This showed there were no material

concerns regarding financial indicators and no issues expected regarding loan covenants. Additionally, an adversity sensitivity analysis and stress testing using various scenarios was carried out for long-term projections, the results of which D Ampofo discussed with Board.

5.6.3 The Board approved the 30-year long term projections.

5.7 Business Plan 2021-2025

5.7.1 The Board were presented with the draft Business Plan 2021-25 attached at item 5.7(i). As advised in the covering paper appendices were not included but are available on request, with the exception of Appendix 3 – Delivery Plan which will be finalised on approval of the Business Plan.

5.7.2 Board had familiarised themselves with the Business Plan 2021-25 and approved with no amendments.

5.8 Annual Governance report and draft Annual Assurance Statement 2021

5.8.1 P Burke presented the Annual Governance report. The report details the annual cycle of governance activities implemented to ensure compliance with the Scottish Housing Regulator's (SHR) Regulatory Framework.

5.8.2 The report was discussed at length by Board.

5.8.3 The draft Annual Assurance Statement 2021, at Appendix 2 of the report was discussed at length. Board noted there were no areas of material non-compliance reported in the statement. There are two areas of non-material compliance noted in the statement, namely, the impact of the Covid-19 pandemic and, equalities and human rights. These areas are highlighted as the pandemic is still impacting the Co-operative and whilst a lot of work has been carried out on equalities and human rights this year we have identified there is still work to be carried out on the collection of equalities and human rights data.

5.8.4 Board noted the assurance from the annual governance report and appendices and, approved the draft Annual Assurance Statement for submission to the Scottish Housing Regulator and to delegate authority to the Director to submit on the Co-operative's behalf.

6. Technical Manager's report

6.1 Exceptions Report

6.1.1 D McKnight presented to Board the exceptions report that highlights exceptions in performance out with the quarterly performance reporting period. The exceptions were highlighted and discussed and included increase in the

number of housing offers refused, together with reasons; anti-social resolution times reducing to 91.67% - due to open cases, that were subsequently resolved within timescale; void days increasing to 15.70 days - due to high number of voids requiring considerable work, and metering issues; rent arrears increasing to 3.3% - predominantly due to the timing of housing benefit payments.

- 6.1.2 Board note the exceptions report and requested further information of refusals. D McKnight will provide information at the next meeting in October 2021.

Action – D McKnight

- 6.1.3 The Board noted the Exceptions report.

D Ampofo left the meeting at 7.15pm.

6.2 Asset Management Plan 2021-2023

- 6.2.1 D McKnight presented the Asset Management Plan 2021-23 to the Board and invited any questions relating to the appendix at item 6.2(i).

- 6.2.2 The Board approved the Asset Management Plan 2021-23.

6.3 Maintenance Spend to 30 June 2021

- 6.3.1 D McKnight presented the report and updated Board on expenditure incurred on reactive repairs, general repairs, technical surveys and cyclical repairs to 30 June 2021.

- 6.3.2 Board were advised that a favourable variation of £277 existed across all cost centres. A summary of variations against spend categories was presented. D McKnight confirmed that the increase in repair costs was primarily related to catch up repairs relating to Covid-19 restrictions and timing of invoices. Whereas variations within other cost centres were associated with timing issues and should align with budgets as the year progresses.

- 6.3.3 The Board noted the maintenance expenditure update.

6.4 Maintenance Progress Report

- 6.4.1 D McKnight reported on the progress of the kitchen and boiler replacement. It was confirmed that all works on site were now complete and final measurement was progress.

- 6.4.2 Board were informed that the bathroom replacement project was complete with final measurement is in progress. It was confirmed that two properties were removed from the programme and reasons provided.
- 6.4.3 D McKnight confirmed to Board that the Window replacement project was complete and final measurement in progress.
- 6.4.4 D McKnight informed the Board that all projects were successfully delivered with 100% satisfaction obtained via feedback from tenants, together with a range of positive comments both in relation to completed work and contractor performance. It was confirmed that focus would now shift towards delivery of the 2022/23 programme and tentative discussions would be held with contractors in relation to optional year 2 works for window and bathroom replacement.
- 6.4.5 Board questioned if the Roof Anchor programme was now complete. D McKnight informed the Board that some properties were still to be completed due to no access, however the majority had been carried out.
- 6.4.6 The Board noted the progress reported on planned maintenance.

K Watt left the meeting at 7.27pm.

6.5 Asbestos Management update

- 6.5.1 D McKnight advised Board of progress that had taken place, including completion of survey work and opportune removal of asbestos containing materials (ACM's). This reduced the number of properties known to contain ACM's to just two. Board were informed that these related to low-risk ACM's and were being managed, in accordance with surveyors' recommendations. D McKnight highlighted that due to the pandemic, the review of our asbestos management arrangements had not been completed, and it was requested that the Board review and increase the consultancy budget by £5,000 for 2021/22 to accommodate this work.
- 6.5.2 The Board noted the information provided in the Asbestos management progress report and approved the request to increase the consultancy budget by £5,000 to accommodate the review of asbestos management arrangements.

7. Policy review

7.1 Policy Review report

The Board noted the one policy for review this month.

7.1(i) Succession Planning policy

7.1.1 Board approved the Succession Planning policy.

7.1(ii) Information Communication Technology Strategy

7.1.2 Board agreed to postpone the timescale to review the Information Communication Technology Strategy until March 2022.

8. Governance

8.1 Ethical Conduct and Notifiable Events

8.2.1 The notifiable events report was presented to the Board.

8.2.2 There were no notifiable events were submitted to the Scottish Housing Regulator since the last Board meeting.

8.2.3 The final update to the notifiable event submitted in January 2020 was provided to the Scottish Housing Regulator in June 2021. It was proposed the notifiable event will be removed from the future reports. This was agreed by the Board.

8.2.4 The Board noted the notifiable events update.

9. Audit, Risk and Staffing sub-Committee

9.1 Minutes of the meeting on 6 May 2021

9.1.1 The Board noted the minutes from the Audit, Risk and Staffing sub-Committee on 6 May 2021.

Staff left the meeting at 7.39pm.

9.2 Recommendations from the meeting on 12 August 2021 – Confidential

9.2.1 Please refer to the confidential minute.

10. Any Other Competent Business

D McKnight returned to the meeting.

- 10.1 P Burke confirmed the three loans approved by Board to pay in full at the last Board meeting have been paid.
- 10.2 Finance training for members will take place in October 2021. S Watt will contact members in due course.
- 10.3 D McKnight confirmed a letter was received from the Scottish Housing Regulator on Friday 3 September 2021 regarding Tenant Health and Safety – Gas Safety. D McKnight confirmed there were no concerns for the Co-operative to note however a report will be presented at the October meeting to provide assurance to Board.

11. Date of next meeting

- 11.1 The next Board meeting will take place on Tuesday 19 October 2021 at 6.00pm using ZOOM Video Communications.

The meeting closed at 8.00pm.