

Minutes of the Management Board meeting held on Tuesday 29 June 2021 at 6.00pm using ZOOM Video Communications.

Ag3

Present: Joan McFarlane (Chair)
Elspeth Kerr
David Riddell
Josephine Barnshaw
Andrew Loen
David O'Hara
Helen Eakin
Tiffany Harvey
Jean Hunter – observer

In attendance: Pauline Burke, Interim Director
Duncan McKnight, Technical Manager
Jackie McGoran, Senior Finance Officer
Stephen Watt, Corporate Services Assistant

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

1. Apologies

- 1.1 Apologies were received from M Bowie.
- 1.2 The Chair welcomed observer J Hunter to the Board meeting and introductions were provided round the table.

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 25 May 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

4. Matters arising

- 4.1 There were no matters arising.

5. Director's report

5.1 Risk management register and matrix – annual review

- 5.1.1 P Burke presented the Board with the draft risk management annual review.
- 5.1.2 Four high risks and six medium risk areas were highlighted to the Board. These will continue to be monitored and progress updates reported at the quarterly Audit, Risk and Staffing sub-Committee meetings.
- 5.1.3 Board approved the risk management register and matrix.

J Barnshaw joined the meeting at 6.06pm.

A Loen experienced some technical difficulties and signed in/out on a number of occasions.

5.2 SHAPS DB Accounting Disclosures Update

- 5.2.1 J McGoran presented the final details of the Co-operative's defined benefit (DB) accounting disclosures for the period ending 31 March 2021.
- 5.2.2 At 31 March 2021 DHCL's pension scheme deficit was £519k (31 March 2020 – £91k) as shown in the SOFP. Actuarial movements (between reporting dates) in the Scheme Assets and Scheme Liabilities are taken to Other Comprehensive Income annually and for 2020/21 this was a loss of £557,000. Board were asked to refer to the key assumptions which appear in the papers at 5.2(i) and to note that the Co-operative had not overridden any of the assumptions and inputs which TPT Retirement Solutions actuaries had initially set in the Pension tool.
- 5.2.3 TPT provided background as to why the balance sheet position at 31 March 2021 is less favourable compared to last year which was discussed and

Board members were invited to comment.

5.2.4 J McGoran highlighted to avoid confusion, that the method for calculating the accounting liabilities is distinctly different to the method used to calculate the 2020 valuation funding. The results of the 2020 valuation will drive any changes to the deficit contributions payable and the Co-operative will receive this separately.

5.2.5 The Board noted the SHAPS pension update.

5.3 Nationwide Building Society letter – SONIA rate

5.3.1 J McGoran presented the letter received from Nationwide, the Co-operative's lenders, dated 25 May 2021 advising LIBOR rates are discontinuing at the end of December 2021 and that from January 2022 interest will be charged with reference to "Sonia" term rate. It was emphasised that the proposed move should not be to the detriment of the lender or borrower.

5.3.2 Board were advised that over the next few months a review will be carried out on the best options for the Co-operative with regards to interest charged on our loan facilities and in line with our loan documentation due to the scheduled withdrawal of the LIBOR rate. In the meantime, the Board was asked to note the content of the letter.

5.3.3 Board noted the content of the Nationwide Building Society letter and agreed the proposed review of interest charges available to the Co-operative.

Action - JMcG

5.4 Loan portfolio return to the Scottish Housing Regulator

5.4.1 J McGoran presented the Co-operative's loan portfolio at year-end which had been prepared by FMD Financial Services detailing all loans and their respective details and invited approval for submission to the Scottish Housing Regulator (SHR).

5.4.2 The Board approved the Loan Portfolio submission to the Regulator.

Action - JMcG

5.5 External Audit – impairment statement

5.5.1 P Burke presented the draft Impairment Statement for approval as part of the External Audit.

5.5.2 The Board approved the Impairment Statement.

5.6 Assurance working group

- 5.6.1 P Burke informed the Board that, following a discussion at a previous meeting, scheduling of the Assurance Working Group would move to align with future Board meetings. This was to ensure that the evidence bank for Regulatory Standards and Requirements were up to date for review at each Working Group meeting.
- 5.6.2 The next Assurance Working Group meeting will take place in August. P Burke informed any interested Board members would be welcome to join the working group. Any Board members who are keen should provide their name to S Watt.
- 5.6.3 The Board noted the Assurance working group update.

5.7 Strategy Day – Business Plan

- 5.7.1 The annual Strategy Day occurred via Zoom video communications on 27 May 2021. This was facilitated by Brian Coyle of Proactive Training.
- 5.7.2 Due to time restrictions at the Strategy Day, the Strategic Objectives for 2021/22 were not finalised. The Board discussed at length the Strategic Objectives to be incorporated within the draft business plan along with the other business areas discussed at the strategy day.
- 5.7.3 The Board agreed the Strategic Objectives to be incorporated into the draft business plan.

A Loen experienced further technical difficulties at this point of the meeting and signed in/out on a number of occasions.

5.8 Arrangements for the Annual General Meeting (AGM)

- 5.8.1 It was proposed that due to the ongoing Covid-19 restrictions on public gathering that the AGM will again be held via Zoom Video Conferencing this year. The provisional date of 25 August 2021, held at 6.00pm, is consistent with the current regulatory guidance and revised Rules of the Co-operative which were adopted in 2020.
- 5.8.2 P Burke invited volunteers to take forward any proxy nomination votes received from our members for the AGM. E Kerr, H Eakin, J Barnshaw, D O'Hara and A Loen all put their names forward.
- 5.8.3 The Board approved the arrangements for this year's AGM.

5.9 Management Team report

- 5.9.1 P Burke referred to the Management Team report and the ongoing position with Covid-19 restrictions as directed by the Scottish Government.
- 5.9.2 The latest review from Scottish Government provides that Glasgow is presently under Level 2 restrictions. The senior team continue to prepare draft plans for returning to office working and resuming services for members consideration.
- 5.9.3 Board were referred to the Management Team report and advised of the First Ministers statement on 18 June 2021 concerning provisions within the Coronavirus (Scotland) Act 2020 and the six-month extension to protection of tenants from eviction.
- 5.9.4. J McGoran referred to the finance actions in the Management Team report and advised that the external audit took place week commencing 7 June 2021 and field audit work is now complete. Furthermore, the five-year financial projections return, approved by Board, was filed with the Regulator on 27 May 2021.
- 5.9.5 D McKnight provided an update on non-emergency repairs, planned maintenance projects, and safety checks. The upgrade of the smoke alarms in 57 properties is pending with additional alarms being installed within the living area to achieve revised standards.
- 5.9.6 Board noted the Management Team report and update.

6. Housing and Technical report

6.1 Performance benchmarking – Quality Efficiency Forum results year end 2020/2021

- 6.1.1 J McGoran presented the quarterly results from the Quality and Efficiency Forum (QEF) up to 31 March 2021. These are attached at paper 6.1(i).
- 6.1.2 It was highlighted that there were two red areas on the QEF Value for Money scorecard. This was because i) date restrictions associated with the Covid-19 Government Directive on Repairs Right First Time had halted repairs being recorded on the actual date received and ii) Staff sickness due to one long term sickness during 20/21.
- 6.1.3 Board noted the performance benchmarking report.

6.2 Key Performance Indicators 2021/22

6.2.1 D McKnight referred Board to the Key Performance Indicator (KPI) targets for 2021/22 which had been agreed at the Strategy Day on 27 May 2021.

6.2.2 Board approved the KPI targets.

6.3 Maintenance progress report

6.3.1 D McKnight presented the maintenance progress report. Updates were provided for kitchen and boiler, bathroom, and window replacement programmes. It was noted that projects were progressing well and positive feedback had been received from tenants.

6.3.2 Board were advised of an increase in contract costs for window replacement of circa £4,173 which had arisen due to the pandemic and associated increases in supply chain and labour costs. It was anticipated that the increase could be absorbed within the contingency costs, included within the contract. Board were also informed of the requirement to buy in Clerk of Work Services from Queens Cross Housing Association to help oversee the window replacement project.

6.3.3 The Chair highlighted a concern relating to the progress of the window replacement contract and D McKnight advised that he will liaise with the contractor to ensure that works were progressing succinctly. The Chair also conveyed positive feedback that had been received from tenants about the standard of completed works.

Action – DMcK

6.3.4 Board noted the Maintenance Progress report and approved the additional costs highlighted of circa £4,173.

6.4 Tenancy Allocation

6.4.1 As agreed at Item 6.6 in the May 2021 Board minutes, D McKnight presented further information on a complex allocation matter to the Board.

6.4.2 Following consideration of the additional details, the Board approved that the tenancy be granted to the person in question.

6.5 Authority to Evict - Anti-social behaviour report

6.5.1 D McKnight sought authority to evict a tenant for, anti-social behaviour, following degree being granted at the sheriff court.

6.5.2 The circumstances of the case were presented and following due consideration, Board approved the recommendation to proceed with eviction.

6.6 Performance Exceptions report

6.6.1 J McGoran presented the Performance Exceptions report up to 31 May 2021, which considers any dips in performance which necessitates the Board's attention.

6.6.2 Average void to relet days at 31 May 2021 was 17 days. The target for 2021/22 is 8 days. This is due to a combination of factors: there being only one void for the period; repair completion times slightly longer than normal due to Covid-19; and first offer being refused. It is anticipated that going forward the relet times will become more in line with the target of 8 days.

6.6.3 Board noted the Performance Exceptions report.

6.7 Approved Contactors and Consultants

6.7.1 Board were asked to approve the addition of Drumchapel Carpets and Flooring to the approved list of approved contractors and consultants 2021/22 to accommodate the provision of floor coverings from the sustainment fund. A discussion ensued concerning the need to support local businesses and it was confirmed that there were no conflicts of interest.

6.7.2 Board approved the request

7. Policy review

7.1 Policy Review report

The Board noted the two policies for review this month.

7.1(i) Openness and Confidentiality policy

7.1.1 Board approved the Openness and Confidentiality policy.

7.1(ii) Board Performance Review

7.1.2 Board approved the Board Performance Review

8. Governance

8.1 Membership Report

8.1.1 18 prospective members were brought to the meeting and six Share Certificates. These were approved by the Board.

8.2 Ethical Conduct and Notifiable Events

8.2.1 The notifiable events report was presented to the Board.

8.2.2 No further notifiable events were submitted to the Scottish Housing Regulator. One notifiable event remains open with updates provided by the Chair.

8.2.3 The Board noted the notifiable events update.

9. Audit, Risk and Staffing sub-Committee

9.1 There were no sub-Committee minutes to report this month.

10. Any Other Competent Business

10.1 A letter was received from the Scottish Housing Regulator concerning the Annual Assurance Statement. This was for information only and will be sent on to Board Members via e-mail by S Watt.

Action - SW

Due to business of a confidential nature, staff and Jean Hunter left the meeting at 7.21pm.

10.2 Please refer to the confidential minute.

11. Date of next meeting

11.1 The next Board meeting will take place on Tuesday 3 August 2021 at 6.00pm using ZOOM Video Communications.

The meeting closed at 7.35pm