

Ag3

Minutes of the Management Board meeting held on Tuesday 18 April 2023 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP.
Hybrid meeting using Zoom Video Communications

Present: David O'Hara (Chair)
Joan McFarlane (Vice Chair)
Josephine Barnshaw (Secretary)
Helen Eakin
Vincent Ogar
Kayleigh Watt

In attendance: Pauline Burke, Director
Jacqueline McGoran, Finance & Corporate Services Manager
Marisa McCarthy, Senior Housing Officer
Alexander Gemmell, Senior Maintenance Officer

Prior to the start of the meeting, D O'Hara requested members bring agenda item 6.1 to the beginning of the agenda. Members agreed.

D O'Hara welcomed Hannah Ward, MacRoberts Solicitors, who attended the meeting via Zoom video conferencing.

H Ward left the left the meeting at 6.15pm.

1. Apologies

1.1 Apologies were received from Alexander Kerr, Elspeth Kerr, Kelvin Nubor and David Riddell

2. Declarations of interest

2.1 There was one declaration of interest noted for D O'Hara at Agenda Item 9.1.

3. Previous meetings

3.1 Minutes of Board meeting on 14 March 2023

3.1 The minute of the Management Board meeting held on 14 March 2023 was agreed and proposed by J McFarlane and seconded by J Barnshaw.

3.1(i) The confidential minute of the Management Board meeting held on 14 March 2023 was agreed and proposed by J McFarlane and H Eakin.

4. Meeting Action List 2023-24

4.1 The Board approved the meeting action list.

5. Matters arising

5.1 There were two matters arising.

5.1.1 D Riddell requested a leave of absence for three months. Members considered and approved the leave of absence.

5.1.2 K Nubor requested a leave of absence for one month. Members considered and approved the leave of absence.

6. Director's report

6.1 Nationwide Loan Repayment

6.1.1 H Ward, MacRoberts LLB provided Board with an update on the position of Nationwide Loan Security and early loan repayment.

6.1.2 A lengthy discussion took place regarding releasing excess security, Nationwide's agreed contribution of [REDACTED] towards fees relating to cross collateralisation of security and early repayment of loans.

6.1.3 H Ward discussed two options with Members regarding releasing excess security. Members requested a quote from MacRoberts LLB for the cost of both options for consideration.

Action H Ward

6.1.4 In term of Option two, H Ward will contact Nationwide to advise if they would instruct valuation at Drumchapel's cost and if so to provide two quotes for the

desktop valuation exercise for Members to consider and to request copies of the existing loan agreements.

Action H Ward

6.1.5 Members thanked H Ward for attending the meeting.

6.2 Scottish Housing Regulator Engagement Plan 2023-24

6.2.1 The annual regulatory risk assessment undertaken by the Scottish Housing Regulator indicates that the Co-operative is Compliant for 2023-24.

6.2.2 Members noted the status with the Scottish Housing Regulator.

6.3 Entitlement, Payment and Benefits

6.3.1 The annual entitlements, payments and benefits report was presented to the Board. There have been twenty-nine entries in the register for 2022-23. Of the twenty-nine entries, twenty-six entries were noted through SFHA funding the Co-operative received for tenants to help with the cost-of-living crisis.

6.3.2 The Board noted the entitlements, payments and benefits report.

6.4 Board Training and Attendance 2022/23

6.4.1 P Burke presented the past year's training programme and attendance of Board members. It was highlighted that attendance at training remains an important condition of the Board's Code of Conduct and members were encouraged to continue attending as frequently as possible.

6.4.2 The Board noted the training plan and attendance.

6.5 Annual Board Effectiveness

6.5.1 P Burke presented the report to members and confirmed P Bradley, Human Resource Consultant will be in touch over the coming weeks to meet with individual members to finalise the appraisal process.

6.5.2 The Board noted the update provided.

6.6 External Audit – Pre-Audit Programme

6.6.1 J McGoran presented the Board with the pre-audit programme prepared by Findlays Chartered Accountants for the annual external audit which is due to commence week commencing 5 June 2023.

6.6.2 The Board approved the pre-audit programme.

6.7 External Audit Proposed Fee

6.7.1 J McGoran highlighted, this year, there is an update to audit regulations ISA (UK) 315 (July 2020) identifying and assessing the risks of material misstatement therefore, auditors are required to change the way in which they approach their assessment of risk. This means the financial statements are required to be assessed on a line-by-line basis, scoring each account balance on a variety of risk factors and identifying and documenting control risks separately. Any identified risks are then linked to specific audit tests designed to mitigate them. To allow this assessment to be carried out an interim review of procedures might be required where risks will be assessed, and internal processes audited to allow Findlays audit to be planned to focus on these. This will lead to additional time on the external audit, but it is anticipated this will be for this year only thereafter, the auditors should be able to update their detailed risk assessment annually.

6.7.2 J McGoran informed Board the proposed fees from Findlays for carrying out the external audit is ██████ (inclusive of vat) which is higher than the budgeted figure of ██████ however, this is due to the additional work required for the update on ISA (UK) 315 (July 2020) which has been costed by Findlays to be ██████ (inclusive of vat).

6.7.3 Board approved the proposed the fee of ██████.

6.8 External Auditor Letter of Engagement

6.8.1 The Board considered and approved the letter of engagement from Findlays for the external audit.

6.9 Five-year Financial Projections for submission to Scottish Housing Regulator

6.9.1 J McGoran presented the main assumptions used in the five-year financial projections.

6.9.2 The projections and ratios demonstrate a positive financial outlook.

6.9.3 Ratios illustrate that the business objectives over the period continue to be fully funded and that the Co-operative operates from a strong asset base.

- 6.9.4 Sensitivities ran over the period demonstrate the Co-operative's ability to withstand a series of negative and combined negative scenarios.
- 6.9.5 Board approved the submission of five-year financial projections to Scottish Housing Regulator.

7. Housing and Maintenance report

7.1 Annual Complaints report 2022/23

- 7.1.1 M McCarthy presented the annual complaints report, thirty-seven stage one complaints were received, thirty-two of which were upheld. There were no Stage 2 complaints. The majority of complaints related to the quality of service or work in relation to repairs and maintenance and environmental works. M McCarthy confirmed staff are liaising with those contractors to ensure both the Co-operative's and tenants' level of expectation around service delivery are met.
- 7.1.2 Board noted the annual complaints report.

7.2 Local Letting Plan 2023-24

- 7.2.1 M McCarthy advised members that a request had been received from Glasgow City Council, Health and Social Care Partnership (HSCP) to provide 60% of lets to homeless households in 2023/24.
- 7.2.2 After a lengthy discussion about the Co-operative's partnership working with HSCP in the prevention of homelessness by providing sixteen temporary accommodation properties to Glasgow City Council and awarding a Priority 1 for applicants who are homeless but not Section 5 referrals through the Choice Based Letting, Allocation policy, the Board agreed to provide 40% of lets for 2023.24.
- 7.2.3 Board asked M McCarthy to notify HSCP of their decision.

Action M McCarthy

7.3 Approved Contractors 2023-24

- 7.3.1 A Gemmell presented the Approved Contractors List for 2023-24.
- 7.3.2 Board approved the list for 2023-24.

7.4 Planned Maintenance progress report 2023-24

7.4.1 A Gemmell provided an update on the boiler replacement programme for 2023-24. Members noted forty properties had been surveyed and costs for replacement received.

7.4.2 Members noted the update.

7.4.3 A Gemmell provided an update on the kitchen replacement programme for 2023-24. Members noted sixty properties had been surveyed, forty-six of the properties have an additional utility room. A Gemmell confirmed a decision was made to include the utility room as part of the survey, to identify if the cost of replacement could be accommodated within the existing budget. It was also noted at the start of the surveys that the kitchen unit numbers per property increased significantly from 2022-23 and this is reflected in the costs received from the contractor.

After a lengthy discussion, it was agreed the costs of replacing the utility rooms was not value for money, at this time, due to the increased material and labour costs therefore, Board approved the replacement of kitchens only for 2023-24.

7.4.4 A Gemmell to liaise with the Quantity Surveyor to update our stock condition survey to include utility rooms in our future investment plans.

Action A Gemmell

7.4.5 A Gemmell to contact tenants affected to confirm the decision not to replace utility rooms.

Action A Gemmell

7.5 Planned Maintenance – Final Costs 2022-23

7.5.1 A Gemmell provided an update to Members on the Planned Maintenance programme for 2022-23.

7.5.2 The final cost of the window replacement programme was £117,975 (inclusive of VAT) which is within the budgeted amount of £122,175 (inclusive of VAT). Therefore, an overall saving of £4,199.

7.5.3 The final cost of the bathroom replacement programme was £99,285 (inclusive of VAT) which is within the budgeted amount of £121,085 (inclusive of VAT). Members noted that whilst there is an overall saving of £21,799,

circa three bathrooms were removed from the programme therefore the overall saving was £12,934.

7.5.6 The final cost of the kitchen and boiler replacement programme was £152,977 (inclusive of VAT) which is over the budgeted amount of £150,085 (inclusive of VAT). Members noted that whilst the overspend against budget is £2,892 this was for four less boilers and one less kitchen than originally planned. Therefore the programme was overspent by £14,811 based on the number of completed units compared to budget.

7.5.7 Members noted the final costs for the Planned Maintenance programmes for 2022-23.

7.6 Housing Management performance exception report

7.6.1 The Board noted that there were no performance exceptions to report to 28 February 2023.

8. Policy Review

8.1. Data Protection policy

8.1.2 The Board considered and approved the Data Protection policy reviewed by M McAuley of RGDP LLP.

9. Governance

D O'Hara left the meeting at this point

9.1 Membership report

9.1.1 There were forty-five prospective members on the membership report for approval.

9.1.2 Board approved forty-five prospective members and four share certificates.

D O'Hara re-joined the meeting at this point

9.2 Ethical conduct and notifiable events

9.2.1 There are no ethical conducts to report, and no notifiable events submitted to the Scottish Housing Regulator since the last Board meeting.

10. Audit, Risk and staffing sub-committee

10.1 There were no sub-Committee meetings to report.

11. Any Other Competent Business

11.1 Health & Safety training for Board members will be arranged for May 2023. Members will be contacted by C Devlin to agree a date for when the training will take place. The training will be carried out by RF Safety.

Action C Devlin

11.2 The Strategy Day will be held on Friday 2 June 2023. A paper will be presented at the May meeting on the format of the day.

12. Date of Next Meeting

12.1 The next meeting will take place on Tuesday 23 May 2023 at 6.00pm in the Co-operative's office.

D O'Hara closed the meeting at 7.45pm