

Minutes of the Management Board meeting held on Tuesday 3 December 2024 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP and on Zoom communications.

P = Present Z = On Zoom

Present:

David O'Hara (Chair)	(DO'H)	P
Josephine Barnshaw	(JB)	P
Alexander Kerr	(AK)	P
Frances McLean	(FMcL)	P
Karen McKenna	(KMcK)	P
Pauline McNaught	(PMcN)	P
Elsbeth Kerr (joined via Zoom at 6.00pm)	(EK)	Z
Vincent Ogar (joined via Zoom at 6.00pm)	(VO)	Z

In attendance:

Pauline Burke, Director	(PB)	P
Jacqueline McGoran, Finance & Corporate Services Manager	(JMcG)	P

1. Apologies

1.1 There were apologies received from Helen Eakin, Jean Forbes, Graeme MacIntosh, Joan McFarlane and David Riddell.

2. Declarations of interest

2.1 All Board members declared an interest at item 6.2. PB declared an interest at Agenda Item 8.1.

3. Previous meetings

3.1 **Minutes of Board meeting on 15 October 2024 and Board Rent meeting on 12 November 2024**

- 3.1.1 The minute of the Management Board meeting held on 15 October 2024 was approved by the Management Board, the minutes were proposed by PMcN and seconded by KMcK.
- 3.1.2 The minute of the Board Rent meeting held on 12 November 2024 was approved by the Management Board, the minutes were proposed by JB and seconded by KMcK.

4. Meeting Action List 2024/25

- 4.1 The Board approved the meeting action list.

5. Matters arising

- 5.1 There were no matters arising

6. Director's report

6.1 Management Accounts to 30 September 2024

- 6.1.1 JMcG presented Quarter 2 Management Accounts to the Board covering the period to 30 September 2024.
- 6.1.2 The total comprehensive income (surplus) for the year to 30 September 2024 was £367,843 against a budgeted surplus of £179,802 resulting in a favorable variance of £188,041.
- 6.1.3 Turnover was very much in line with budget resulting in a positive variance of £4,680 with the main contribution to the quarter's favorable position being lower void loss than budget. Total Operating Expenditure was £1,073,861 against a budget of £1,240,981 giving a positive underspend of £167,121.
- 6.1.4 There were positive variances across most of the cost centers, largely due to timing. Estate Costs - Housing Maintenance is showing an underspend of £63.4k. It was explained that this is in the main due to timing of Cyclical works which would reverse during the year as work progressed. Board noted that it is anticipated that external painterwork costs will be lower than budget by circa £35k by year end. A lesser amount of £19.6k was due to less reactive repair costs incurred in the period, however historically the second half of the year typically has higher repair costs so spends are expected to be in line with the budget at year end.

- 6.1.5 Overhead costs have a positive variance of £71.3 k largely due to lower employee and consultancy costs for the reasons detailed within the reports.
- 6.1.6 JMcG explained that Tangible Fixed Assets have decreased by £293,930 over the period mainly due to depreciation charges on housing properties and other fixed assets for the period (£342.4k), Planned maintenance program additions of boilers and bathrooms of £16k, ad hoc component cost additions and disposals to 30 September 2024 totaling £27K and other Fixed Asset additions of £1.3K.
- 6.1.7 Cash has increased by £319,135 over the quarter, Board noted that this was in part due to minimum planned maintenance costs for the period. The year end 31.03.25 forecast cash is expected to be around £2.8M.
- 6.1.8 KPIs were touched upon. Board noted that there had been a slight increase in arrears for the period which resulted in the arrears ratio being higher than budget however the increase was not sufficient to review bad debt provision. The Board was advised that the loan covenants have been met and the Co-operative's overall position remains robust.
- 6.1.9 The Management Accounts to 30 September 2024 were approved by the Board.

6.2 Reviewed 2025-26 Rent 30 Year Impact Report

- 6.2.1 Please refer to confidential minute.

6.3 Draft Budget 2025/26

- 6.3.1 JMcG presented the draft budget to the Board for comment and review before final approval at January 2025 Board meeting. It was based on a range of assumptions as highlighted in the accompanying papers (distributed in advance of the meeting)

- 6.3.2 The key points were as noted below:

- Budgeted surplus for the year (total comprehensive income) is £552,743
- Rents & service charges increased by 4.05% (October 24 CPI +1.75%)
- Rental Void Loss rate of 0.50%
- **Cash balances increase by £289,728** from £2,820,675 to **£3,110,403**
- Bank loan balances - reduce from £1,139,286 to £980,964
- Bank loans – no additional borrowing or refinancing assumed
- Past service pension deficit (PSD) contributions - £Nil 25/26
(PSD payments are expected to recommence in 26/27 – these were previously paid at an

annual rate of £137.4k)

- Employer SHAPS DC pension contributions - 8.45%
- Planned maintenance expenditure (capital) - £418,636
- Direct employee related costs - £572,683
- Estimated EVH increase of 3.3% (October24 CPI +1%)
- Consultancy costs (includes legal & finance services) - £88,175
- Total bad debts write-off costs (1.00%) - £25,748
- Property insurance costs - £74,000

6.3.3 The surplus for 2025/26 is approximately £43,150 more than the surplus projected in the recently approved May 24 SHR projections for the year 2025/26 and the Board were advised of the reasons for this.

6.3.4 Included in the report were rent increase/options scenarios summarising various scenarios of 2025/26 rent increase % which noted the impact on cash. It also showed effects on surplus, covenant headroom/compliance.

6.3.5 The Board after considering the budget had no recommendations. The final budget will be presented at the meeting on 21 January 2025.

6.4 Treasury Management - Deposits

6.4.1 JMcG advised the Board that the two 1-year fixed rate deposits held with Nationwide matured on 14 November 2024 with balances of £275.3k and £593.5k respectively. As per Treasury Management Policy the Director may execute a decision quickly in relation to deposit opportunities if there is no time available to refer the matter for Board consideration. In all such circumstances a written report will be submitted to the next available meeting seeking retrospective approval.

6.4.2 At the time of deposit maturity Nationwide offered the highest interest rate of 4%, therefore the decision was taken to rollover both deposits for a further year.

6.4.3 The Co-operative also holds a 1 year fixed treasury deposit with Royal Bank of Scotland (RBS) which is due to mature 9 December 2024 with a balance of £417.7k. Although RBS's indicative rate of 3.81% was slightly lower than BOS indicative rate of 3.88% (difference in interest received £293), it was recommended that the deposit was made with RBS in keeping with ensuring the Co-operative diversifies its investments so as to avoid holding too much with any one institution.

6.4.4 Board retrospectively approved the two Nationwide 1-year fixed rate deposits being rolled over to Nationwide Business 1 year savers Issue 28 and the

rollover of RBS 1 year fixed rate deposit upon maturity into RBS 1 year fixed treasury deposit.

Action – JMcG Due by 9 December 2024

6.5 Other Fixed Asset Disposal Report

6.5.1 JMcG advised Board that since they had approved the removal of the Estate Caretaker post from the staff structure there was no longer a requirement to have a works van.

6.5.2 Board were advised that the net book value of the asset is zero and should the van be sold, the proceeds would be recognised in the Statement of Comprehensive Income.

6.5.3 Board discussed the selling of the van and PMcN asked would it be possible to donate it perhaps to someone just starting up in business.

6.5.4 After discussion Board agreed it would be better to sell it with the proceeds coming back to the Co-operative.

6.5.5 Board thus agreed the disposal of the van.

6.6 Risk Management Review – Mid-year review

6.6.1 PB presented the mid-year Risk Management review. Board was asked to note the following:

- Audit Risk & Staffing sub-Committee noted the Rent Review Meeting with Management Board, Staff and FMD Financial Services was scheduled for 12 November 2024 to mitigate Risk E2 Rent Increase. The sub-Committee agreed the risk ranking for this risk remains the same (16 Severe Risk) due to the continued cost of living crisis and increased costs for the Co-operative
- The update to the mitigation for Risk E3 Cyber Fraud to 'Accredited for Cyber Essentials Plus'. Due to the ever-changing cyber threats the sub-Committee agreed the risk ranking for this risk remains the same (12 High Risk).

6.6.2 Board noted the above and approved the Risk Management mid-year review.

6.7 Equality & Human Rights Report

6.7.1 The Equality and Human Rights report was presented to members highlighting circa 61% of tenants had completed the Equality Monitoring Form (EMF) and also provided details of how the information received had been

used to tailor services. It is still the case that there is no representation on the Board of the age 16-34 age group, however it is an action within the plan to try and encourage this age group to join the Board.

6.7.2 Board were advised the Action Plan has also been updated due to new legislation aimed at tackling sexual harassment in the workplace.

6.7.3 Members noted the updated information within the report and approved the Equality Action Plan.

6.8 Donation Report

6.8.1 PB presented the donation report which included donation requests received and a list of other charities within the G15 area to which donations could be considered.

6.8.2 Board discussed the donation requests and agreed that 3D Drumchapel and New Hope Community should receive a donation. Due to the request being for individual players and also the costs being £40 per month it was agreed that Milngavie Football Club's request, on this occasion, would not be met.

6.8.3 EK advised that Drumhub were hosting a Christmas dinner on Christmas day for anyone who was on their own and thought they should be considered for a donation for the event.

6.8.4 Board approved donations to the following:

- 3D Drumchapel £150
- New Hope Community £250
- Drum Hub £250

Action – JMcG due by 21 January 2025

6.9 Procurement- Stock Condition Survey

6.9.1 JMcG presented the report on the procurement exercise for Stock Condition Surveys.

6.9.2 The Board were advised that six suppliers were contacted and given a descriptive of required works and designated timescales. Of those six suppliers only two could meet the timescales required.

6.9.3 Due to the specialist nature of works and the business critical nature of the services required the two suppliers were invited to submit a fee proposal, details of which were included in the report.

6.9.4 Board approved the appointment of Reid Associates to carry out the stock condition surveys for 2024/25 and noted that due to the number of surveys required this year due to no access issues the previous year there will be an immaterial overspend within this budget at year end.

7. Policy Review

7.1 Both Disposal of Land & Assets Policy and Treasury Management Policy were reviewed by staff and FMD with minor changes recommended and presented to Board for approval. Members noted the minor changes and approved both policies.

8. Governance

PB left the meeting due to a declared interest at 8.1

8.1 Membership report

8.1.1 Board approved thirty-nine prospective members and six share certificates.

PB returned to the meeting

At 7.50 pm, it was agreed to suspend Standing Orders.

8.2 Ethical conduct and notifiable events

8.2.1 Members noted there are no ethical conducts and the information contained within the report for the Notifiable Event submitted to the Scottish Housing Regulator on 14 August 2024.

9. Audit, Risk and Staffing sub-Committee

9.1 Minutes of the meeting on 15 August 2024

9.1.1 The Board approved the minute of the Audit, Risk and Staffing sub-Committee meeting on 15 August 2024.

9.2 Recommendations from the meeting on 14 November 2024

9.2.1 The Board considered and approved the recommendations from the Audit, Risk and Staffing sub-Committee meeting on 14 November 2024 as detailed below:

- **Internal audit**

The Final Void Management Audit Report from Quinn Internal Audit.

- **Human Resource Policy Review**

The Shared Parental Leave Policy.

10. Housing and Maintenance sub-Committee

10.1 Minutes of the meeting on 30 July 2024

10.1.1 The Board approved the minute of the Housing & Maintenance sub-Committee meeting on 30 July 2024

10.2 Recommendations from the meeting on 14 November 2024

10.2.1 The Board considered and approved the recommendations from the Housing & Maintenance sub-Committee meeting on 22 October 2024 as detailed below:

- **Bad Debt Write Off Report Q2 2024/25**

The bad debt write-offs totalling £1,297.60 for Quarter 2.

- **Policy Review Report**

The Pet Policy & Procedure.

- **Approved Contractors List**

The addition of Direct Hire Access Ltd to the approved list of contractors.

- **Community Benefits**

The Open Space Maintenance Contractor, M Squared to provide assistant for a local school in design banners and posters for the issues surrounding dog fouling within the estate.

The Planned Maintenance Contractor, MCN Scotland to provide work experience for tenants identified by the Co-operative.

11. Any Other Competent Business

11.1 SDM Invoice

11.1.1 PB advised the Board SDM, our housing software provider, had issued their yearly invoice for 2025/26. Due to the value being outwith her authority level as per Financial Regulations approval was being sought from Board.

11.1.2 Board approved SDM annual invoice.

11.2 **Request from Patricia Ferguson MP**

11.2.1 PB advised that a letter had been received from Patricia Ferguson MP who was keen to meet with all local organisations to provide updates on her work within the local community.

11.2.2 Board agreed she be invited to a meeting in the New Year.

Action: P Burke due by 31 March 2025

11.3 **Drumcog Training- Employment Law**

11.3.1 PB advised Board that Drumcog training on Employment Law training on Monday 20 January 2025 at 6:00pm in the Co-operative's office.

11.3.2 Board noted the details of the Drumcog training.

11.4 **Closure of Office for Team Briefs**

11.4.1 PB asked the Board for permission to allow the office to open from 10.30am on Wednesdays to facilitate weekly team briefs from 1 April 2025.

11.4.2 Board approved the later opening on Wednesdays to allow all staff to attend team briefs without interruption.

12. **Next Meeting**

12.1 The next meeting will take place on Tuesday 21 January 2025 at 6.00pm.

Elsbeth Ker and Vincent Ogar left the meeting at 8.05pm

D O'Hara closed the meeting at 8.05pm