

Ag3

Minutes of the Management Board meeting held on Tuesday 14 March 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
David Ampofo, FMD Financial Services Ltd
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 David Ampofo, FMD Financial Services Ltd, who attended the meeting via Zoom video conferencing.

D Ampofo left the meeting at 6.35pm.

1. Apologies

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

2. Declarations of interest

2.1 There were two declarations of interests noted, J McFarlane at Agenda Item 9.1. and E Kerr at Agenda Item 11.4.

3. Previous meetings

3.1 Minutes of Board meeting on 21 February 2023

3.1 The minute of the Management Board meeting held on 21 February 2023 was agreed and proposed by J Barnshaw and seconded by J McFarlane.

4. Meeting Action List 2022-23

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 31 December 2022

6.1.1 J McGoran provided a summary of the management accounts to 31 December 2022 which had been distributed with the Board papers.

6.1.2 The total comprehensive income (surplus) for the year to 31 December 2022 was £521,848 v budgeted surplus of £311,537 resulting in a favourable variance of £210,311. Board noted a provisional unbudgeted gain in the accounts of £16.3k as shown as an actuarial gain on the pension scheme and that actual figures are only calculated at the end of each year using the Defined Benefit Accounting tool provided yearly by the Pensions Trust (TPT).

6.1.3 Void loss sits at 0.33% which is less than the budgeted rate of 0.75% meaning that void periods - which is a loss of cash to the Co-operative - are being minimised.

6.1.4 Miscellaneous Income is £16,023 v £22,500 budget which has therefore resulted in an unfavourable variance of £6,477. This is partly due to social work self-funding several adaptations within our stock. An article was included in our December newsletter to promote the uptake of the funding. In the third quarter circa £1.5k of adaptations were carried out and the grant claim is being progressed. The Co-operative will liaise with GCC Harp funding team to ensure any unused grant can be redirected back to Glasgow City Council.

There is £10k that represents the release of income from Scottish Federation of Housing Associations grant fund that the Co-operative were successful in applying for in December 2022. This is an unbudgeted one off income.

- 6.1.5 Estate Costs-Housing Management – there is an underspend of £23,528. This is largely due to an adjustment to bad debt provision, low legal costs and an underspend in the sustainment fund.
- 6.1.6 Estate costs-Housing Maintenance – underspend of £86,294. This is due to higher general repairs due to voids that arose during the period that were in poor condition and required considerable work. Lower cyclical repair costs partly due to timings but also includes an underspend within the painter work budget due to no access issues resulting in balcony work not being carried out. Also, lower major repair costs primarily due to the underspend in disabled adaptations and the fascia and soffits programme being underspent.
- 6.1.7 Overhead Costs-Employee Costs are under budget by £21,822 mainly due to lower actual salary increases than previously estimated in the budget, staff vacancies and lower staff training costs.
- 6.1.8 Overhead Costs-Consultancy Costs – are under budget by £40,977 which is due to the legal fees being under budget, contingency budget of £10k not spent, £9.8K budget for base line assessments not used as included in internal audit program and higher HR consultancy costs of £5.2K due to increased support required and partly due to timings of various corporate services work due to be carried out in the fourth quarter.
- 6.1.9 Fixed Assets net book value decreased by £42,716. This is mainly due to depreciation charges, planned maintenance and ad hoc additions including windows, bathrooms boilers & kitchens and disposals to 31 December 2022.
- 6.1.10 Current assets – Cash balances have increased by £63,133 for the period. Forecast to end of March 2023 for cash balances is just over £2m and assumes early repayment of Nationwide BS loans of circa £300k. However, repayment of the loans has been put on hold subject to resolution with the Nationwide BS regarding early loan repayment issue.
- 6.1.11 Current Liabilities has reduced to £22,319 for the period largely attributed to the decrease in accruals at the end of the third quarter.
- 6.1.12 Liabilities due in more than 1 year have reduced due to monthly repayments being made to bank loans, deferred income (HAG) reduced as amortisation released over the period and net pension liability reduced as payments were made during the period and the past service deficit payments ceased

September 2022 and the balance of the liability remaining was transferred to the Statement of Comprehensive income.

6.1.13 Equity increased to £6,689,801 the main factor being the addition of the £521,848 surplus generated for the period.

6.1.14 The main points highlighted within the report regarding KPI's were discussed and noted by Board.

6.1.15 The Co-operative's financial position remains robust; however the financial climate continues to create uncertainty with the continued cost of living crisis, the impact of the continuing war in Ukraine and challenging financial markets worldwide.

6.1.16 The Board approved the Management Accounts to 31 December 2022.

6.2 30-year long term projections

6.2.1 D Ampofo presented a summary of the Co-operative's 30-year projections highlighting the key issues facing the business which include rent levels including future increases/freezes, higher rent arrears, interest rates, inflation, welfare reform and the possible impacts of Covid-19 amongst others and increased costs of materials for planned, cyclical and reactive maintenance.

6.1.2 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, sensitivity analysis and stress testing using various scenarios was carried out, the results of which D Ampofo discussed with Board.

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

6.3 Other Fixed Asset Disposal

6.3.1 J McGoran presented the report to Board and requested approval to dispose of other fixed assets highlighted within the report.

6.3.2 The Board approved disposal of the assets contained in the report.

6.4 Corporate Value for Money

6.4.1 P Burke presented the value for money statement to members. Members noted the statement is normally for a 3-year period however due to the current economic climate the review is for 1-year.

6.4.2 After discussion members approved the value for money statement.

6.5 Mid-year report of progress against the business plan targets

6.5.1 P Burke presented the report to members highlighting the completed objectives. Members also discussed the work to be progressed on the Climate Change Emergency.

6.5.2 The Board noted the update provided within the report.

6.6 Insurance Renewal 2023-24

6.6.1 J McGoran presented the insurance report to members and highlighted the terms of the insurance as detailed in the report. Members noted the increase of 35.4% in costs overall compared to last year with the main increase of the housing stock policy of 53.44%. Members also, noted the insurance broker advised that the market for Housing Stock insurance is the most challenging in his 25 year experience.

6.6.2 The Board approved the insurance proposal of [REDACTED] for 2023-24.

6.7 Policy Review Schedule 2023-24

6.7.1 The draft policy review programme for 2023-24 was discussed.

6.7.2 The Board approved the policy review programme for 2023-24.

6.8 Schedule of meetings 2023-24

6.8.1 The Board approved the schedule of meetings for 2023-24.

6.9 Board workplan 2023-24

6.9.1 The Board discussed and agreed the proposed programme for 2023-24.

6.10 Internal audit procurement

6.10.1 P Burke presented the report to members and the outcome of the joint procurement of the Internal Auditor with Cernach Housing Association. The highest scoring tender was from Quinn Internal Audit and Business Support.

6.10.2 The Board approved the appointment of Quinn Internal Audit and Business Support.

6.11 Nationwide Building Society (NBS)

6.11.1 J McGoran presented the Board with an update on the position of the NBS early loan repayment approved by Board August 2022.

6.12.1 The NBS provided their proposal which has been forwarded to our solicitor MacRoberts LLB for their comments.

After a lengthy discussion, Board asked for MacRoberts LLB to attend the April meeting to present their advice.

Action J McGoran

7. Housing and Maintenance report

7.1 Performance and Maintenance expenditure report

7.1.1 A Gemmell presented a summary of the performance outcomes to 31 December 2023 which had been distributed with the Board papers.

7.1.2 Emergency repair – 28 emergency repairs late compared to ten in the second quarter in meeting the 4-hour target. With the average time to complete an emergency repair for the third quarter being 3.1 hours compared to 2.7 hours for the second quarter.

The KPI target of 2.5 hours for the third quarter was not achieved.

7.1.3 Non-emergency repair – there were no late jobs for the third quarter compared to two late jobs for the second quarter. The average time to complete non-emergency repairs for the third quarter was 1.9 days compared to 1.8 days for the second quarter.

The KPI target of 3.5 days for the third quarter was met.

- 7.1.4 Other repair categories – there were eight late jobs with six of these jobs being within our void repair type.
- 7.1.5 Right First Time – 99.6% of eligible work orders were right fire completed in the third quarter which met the KPI target.
- 7.1.6 Repair satisfaction – tenants were 95.3% satisfied with the repairs service in the third quarter. The KPI target of 98% was not met.
- 7.1.7 Gas servicing – 100% of gas servicing due in the third quarter was completed on time ensuring the Co-operative remains fully compliant.
- 7.1.8 The Board noted the update provided within the report.
- 7.1.9 A Gemmell presented a summary of the maintenance expenditure to 31 December 2023 which had been distributed with the Board papers.
- 7.1.10 Maintenance expenditure was presented to Board and variations against budget were highlighted for each category.
- 7.1.11 Board noted the maintenance expenditure and asked for gas servicing audits and pre and post inspections to be included within the report going forward.

7.2 Planned maintenance programme report 2023-24

- 7.2.1 A Gemmell presented the planned maintenance report for 2023-24 to members.
- 7.2.2 After a lengthy discussion the Board approved the contractor City Building for the boiler replacement programme.
- 7.2.3 The Board also approved the contractor MCN Scotland to carry out kitchen surveys to the properties schedule for 2023-24 and for costs to be provided for Board approval.

7.3 Void property report

- 7.3.1 A Gemmell presented the breakdown of costs and maintenance timescales for void properties highlighting the higher cost voids were mainly in our tenant deceased or abandoned properties.

- 7.3.2 A Gemmell also confirmed improvement in pre-term inspections and identifying recharge repairs will be made going forward as operational changes have been made to improve the performance in this area.
- 7.3.3 A Gemmell confirmed utility companies are still taking a long time to action meter changes or resets and this is also having an impact on performance.
- 7.3.4 After a lengthy discussion and it was agreed void reporting will be provided on a six monthly basis going forward.

7.4 Bad debt and credit write off report

- 7.4.1 Board noted the contents of the bad debt and credit write off report for the fourth quarter and approved the credit write off totalling £3,107.99.

7.5 Housing Management performance exception report

- 7.5.1 The Board noted that there were no performance exceptions to report to 31 January 2023.

8. Policy Review

8.1. Standing Orders

- 8.1.2 The Board considered for approval the Standing Orders reviewed in line with the Scottish Housing Regulator, Regulatory Standards and the Scottish Federation of Housing Associations (SFHA), Model Scheme of Delegated authority December 2022.

- 8.1.2 The Board approved the standing orders.

8.2 Membership policy

- 8.2.1 The Board considered for approval the Membership policy reviewed taking account of the Rules, legislative and regulatory requirements and advice from MacRoberts LLB.

- 8.2.2 The Board approved the Membership policy.

8.3 Financial Regulations and Financial Procedures

- 8.3.1 The Board considered for approval the Financial Regulations and Financial Procedures reviewed as a minor recommendation from the Internal Auditor to

reflect the Co-operative has moved from having one charge card held by the Director to multiple charge cards held by various staff members as approved by the Management Board.

- 8.3.2 The Financial Regulations have been updated to reflect the Senior Housing Officer is the budget holder for legal fees, welfare benefits and tenancy sustainment fund (section 31) and to include approval of commitment to spend (Section 29.4), as approved by Board for the following:

Senior Housing Officer/Housing Officer Sustainment Fund £1,000

Senior Finance Officer IT/Office admin/General Expenses £1,000

- 8.3.3 The Board approved the updates to both Financial Regulations and Procedures.

9. Governance

J McFarlane left the meeting at this point

9.1 Membership report

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

- 9.1.2 Board approved eighteen prospective members and one share certificate.

J McFarlane 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

- 10.1.1 There were no sub-Committee meetings to report.

11. Any Other Competent Business

M McCarthy and A Gemmel left the meeting at this point

8pm – D O'Hara requested that Standing Orders continue for 30 minutes. This

was agreed.

11.1 Staffing Matters – Confidential

11.1.1 Please refer to the confidential minute.

11.2 Scottish Federation of Housing Associations (SFHA) Winter Hardship Fund

11.2.1 The Board approved the spend of the funding from the SFHA, Winter Hardship Fund to provide all tenants with a £50.00 food voucher.

11.3 Approved Contractor

11.3.1 The Board were asked to consider an additional contractor to our approved contractors list. This request was to ensure the Co-operative obtains value for money for maintenance works.

11.3.4 After a discussion, Board approved CD Coatings to the approved contractors list.

11.4 Office space request

11.4.1 The Board considered a request for the use of the office for a local charity. After consideration, Board decided not to approve the use of the office at this time.

12. Date of Next Meeting

12.1.1 The next meeting will take place on Tuesday 18 April 2023 at 6.00pm in the Co-operative's office.

D O'Hara closed the meeting at 8.20pm