

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 2 August at 5.30pm

Present: J Jamieson (Chair)
S Niven
K McIntyre
Cllr P Marshall
R Smith
Cllr S Murray

In Attendance: S Macintyre, Director
C McKiernan, Depute Director/Housing Manager
S Tait, Head of Development & Property Services
M White, Head of Corporate Services
L McDonald, Finance Officer
K Tait, Corporate Services Assistant
P Long, FMD
J Chittleburgh, CT Accountants

1. APOLOGIES

There were apologies from W Hassan, C Taylor, G Jackson, P O'Connell, L Scott and A McPhee.

2. DECLARATION OF INTEREST/DEFERRED ITEMS

There were no declarations of interest.

3. MINUTES AND MATTERS ARISING

Management Committee meeting 07/06/2023

These minutes were proposed by S Niven and seconded by K McIntyre.

3.2 Action List

Committee noted the contents of the action list.

4. DIRECTORS REPORT

Scottish Housing Regulator

S Macintyre advised that the Association submitted the Loan Portfolio Return to the regulator on 30 June 2023.

S Macintyre reminded Committee that the Association submitted a Notifiable Event to the Regulator regarding the amount of gas safety fails. No further follow up has been received from the Regulator, however the Association has instructed our internal auditors to carry out an audit of our gas safety procedures in order to provide assurance to the Regulator and our Committee that these issues will not reoccur.

The Annual Financial Statements are due to be submitted to the Regulator by the 30th of September 2023.

Committee were reminded that the Draft Assurance Statement will be presented to Committee at October's meeting to be approved before submission.

Governance

It was noted that Committee appraisals 1-2-1's have taken place with Olwyn from SHARE. She will be in attendance at the October meeting.

The Assurance Statement Baseline Review undertaken by Alex Cameron has now been completed and a copy of his final report was provided to Committee. There are a small number of action points which will be followed through by staff and will be reference in the Assurance Statement Report that will be presented to the Committee at the October meeting.

Cyber Essentials

The Committee noted that the Association received its Cyber Essentials re-accreditation on 29 June 2023, and that staff are now preparing for the Cyber Essential Plus accreditation.

S Macintyre informed Committee that the regular cyber awareness tutorials that the Association's staff regularly participate in is now available to any Committee member who would be interested. Tutorials which consist of a 2-3-minute-long video along with a small questionnaire come in at £42 + VAT per person. Committee were asked to inform staff if they would be interested in taking part to get a gauge if it was worthwhile for the Association.

Financial Conduct Authority – New Consumer Duty Rules

S Macintyre advised that there is a process the Association can follow to withdraw from the scope of this duty given the Association's status and the debt advice it provides. S Macintyre agreed to follow this up and would keep Committee informed as to progress.

Succession Planning

Alison Smith will facilitate an evening with Committee and members of the Management Team at the Broadcroft Hotel on Tuesday the 15th of August.

Development Update

S Macintyre gave an update on the proposed new CALA Homes development at Fauldhead Road, since the last meeting CALA have reduced the land value cost per unit from £15,000 to £5,000. In addition to this the Association has been able to review some of the rents to ensure they are within 5% of the benchmark and remain within the guidance for grant eligibility. Due to this the Scottish Government has agreed in principle to fund the remaining £270k shortfall.

There followed some discussion and S Macintyre advised that a more detailed update on the development would be brought forward at the next Committee Meeting with the aim of seeking formal Committee decision on whether to go ahead with the development or not. This would include a report from the Association's development and financial advisors.

Insurance Renewals

Committee noted all of the Association's insurance policies were renewed on June 29 2023.

5. Finance Reports

Annual Accounts to 31 March 2023

P Long presented Committee with the annual accounts for the year up to 31 March 2023 and asked for Committee's approval of the accounts.

Committee noted that the Association had an income of £4,514,256 million with operating costs sitting at just under £3,256,591 million leaving the Association with a surplus of £1,257,665 million.

P Long advised that the value of the Association's fixed assets was £24,018,413 million with the office fixed assets sitting at just under £945,219.

Committee also noted that the Association's cashflow generated £1,818,391 million through its day-to-day activities with the Association spending £123,135 on new projects and £939,994 on loan repayments. The Committee noted that this left a net surplus of £755,262.

Jeremy Chittleburgh from CT Accountants was in attendance to confirm the annual accounts to March 2023 and to present an Audit Summary Report for the Committee.

J Chittleburgh referred Committee to the Audit Summary Report. The auditors highlighted they did not identify any breaches based on the samples checked and they advised they are content with the Association's financial controls. The Committee noted the contents of the Audit Summary Report and welcomed the fact that there are no follow up actions required.

CT Accountants confirmed the Association can comply with all financial covenants with the Royal Bank of Scotland.

J Chittleburgh confirmed that the accounts comply with all latest guidance. In terms of the accounting adjustment for pensions, the auditors are happy with the way that this is presented in the accounts.

J Chittleburgh highlighted the strong performance with the low level of rent arrears and how well the Association has done to maintain a good level of rental income and keep arrears low.

J Chittleburgh confirmed that CT Accountants can offer an unqualified audit opinion.

Committee subsequently agreed to approve the accounts for the year up to March 2023.

Management letter response

P Long advised Committee that a draft letter that was included with the report and asked for the Committee's approval of its content. This was agreed.

Letter of Representation

P Long advised that this letter is also required to be returned to the auditors on behalf of the Committee. After reading over the letter Committee also gave its approval for the letter of representation to be returned to the auditors.

Surplus Reconciliation

P Long advised that the previously reported surplus for the Management Accounts to 31 March 2023 was £593,891. However due to post year end reconciliations, such as an increase in comprehensive income along with a decrease in depreciation costs, the year end surplus has now been adjusted and is reported as £427,670.

Management Accounts – 30 June 2023

P Long referred Committee to the Management Accounts to 30 June 2023 and advised these represented the first quarter of the year.

Statement of Comprehensive Income for the period to 30 June 2023

P Long advised that the Association had an operating surplus of £368,000 at 30 June. P Long explained that this is higher than the budgeted surplus of £60,000 and is due to lower maintenance costs and lower overheads at this stage.

Committee noted that net interest payments of £197,000 reduced the surplus down to £171,000 for the year to date compared to a budget surplus of £122,000. Other comprehensive expenditure including pension deficit expenditure of £14,000 reduces the surplus further to £204,000.

P Long added that taking account of the variances and revised forecasts for the remainder of the year to the end of March 2023, the net surplus will sit at £264,000 compared to the budgeted surplus of £339,000 at March 2024.

Statement of Financial Position

Committee noted that a total of £10,000 had been spent on new components works up to 30 June 2023. With the net cost of housing assets sitting at £23.76M

The net cost of other fixed assets is £936,000.

P Long highlighted that cash balances at 30 June 2023 total £3.92M which is higher than the budgeted amount of £1.56M. P Long advised that this is due to a higher starting position at the start of the year along with a higher surplus to date.

It was explained to Committee that with these variances and revised forecasts for the remainder of the year suggests that the cash balances at March 2024 will be £2.010m compared to the budgeted amount of £2.076m.

Committee noted that long term creditors sit at £13.6m and include the Scottish Government loan of £680,000. P Long added that the pension fund valuation is reporting a deficit of £-69,000. Deferred income sat at £11.65m.

The Association's net assets sat at £2.797m at 30 June 2023.

Covenants

P Long referred to the covenant analysis as at 30 June 2023 and confirmed that the Association is able to comply with all the financial covenants with the Royal Bank of Scotland.

Committee subsequently approved the Management Accounts for June 2023.

6. AGM Report

M White presented the report on the 2023 Annual General Meeting (AGM) and Committee noted this would be taking place on Wednesday 13 September 2023 within the Association's office.

It was noted that in accordance with Rule 39.1, one third of the Management Committee must retire and that this year this applied to J Jamieson, C Taylor and S Niven.

Committee noted the procedure regarding the AGM and the proposal in relation to this year's Annual Report/Report to Tenants 2022/23.

M White highlighted the requirement to confirm to Committee that Rules 62 to 67 in relation to Committee Minutes and Registers had been followed, and she advised that this was the case.

7. Quarterly Performance Report

Property Services

S Tait presented the Property Services performance report for Q1. The Association completed 97.26% of emergency repairs on time and 96.43% of non-emergency repairs on time. The average time it took to complete emergency repairs was 1.13 hours and 3.58 days for non-emergency repairs.

No gas safety inspections were missed during the quarter with all 824 properties within the Association having a valid cp-12 certificate. There are currently 12 properties with a capped gas supply.

S Tait advised that the Association was allocated £85,250 to carry out a major adaptation. A prestart meeting was held on the 20th of July with the works planned to commence on the 7th of August 2023 and these works will last for 8 weeks. The Association was also allocated £45,000 for stage 3 adaptations for this year with £32,000 of this money already being committed.

In Q1 of 2023/24 46 properties required an EICR. All inspections have been completed with 3 properties requiring remedial works one of which is asbestos removal works. The Association also continues to closely monitor damp and mould issues with a total of 16 properties being inspected in Q1 representing only 0.2% of the stock; however inspections are expected to be low at this time of year. Of the 16 properties only 1 required work to the building fabric, 7 required minor works to be carried out and 8 properties required no work or

could not provide access. The Association continues to offer guidance to tenants on how to prevent damp and mould and continues to inspect any complaints.

The Association received 44 repairs satisfaction surveys in Q1 with 97.72% being returned as positive to the Association.

Housing Management

C McKiernan presented the Housing Management performance report for Q1. The Association let 9 properties in Q1 with a total of 44.4% of lets going to EDC which is close to the target of 45%. The Committee noted the average re-let time is 22.3 days which is an improvement from Q4 of last year which had a re-let average of 42 days. The Committee noted that void costs increased significantly and that this is due to increased times in properties being void following requirements of major works. There were no refusals in this quarter.

The Committee noted that whilst arrears have fallen from 2.43% in Q4 of last year to 2.37% at the end of Q1, the amount of cash arrears has increased but this is due to the rental increase at the start of Q1. Former tenant arrears currently sit at £30,419.

There were 8 Anti-social complaints in Q1 7 of these were completed in the appropriate time frames. The open case was received on June 30th.

Corporate Services

M White presented the Corporate Services performance report in Q1. M White advised that the Association received 11 complaints in Q1 9 were stage 1 complaints and 2 were stage 2 complaints. Of the stage 1 complaints 4 were upheld this was due to delays by contractors. Property Services staff will continue to liaise with contractors and monitor work until resolution. No stage 2 complaints were upheld.

The Association received no F.O.I Requests nor any Subject Access Requests and no data breaches had occurred during the period.

8. Procurement Report

S Tait presented Committee with the procurement report. This procurement was to appoint a contractor to carry out the Association's cyclical painter works programme which would include the painting of windows, doors, soffits and fascia of 291 units. Along with any necessary repairs to rusted areas of galvanized fencing and gutter cleaning. The Contractors will also repair/replace any mastic seals at doors and window frames etc.

Committee noted that a total of 4 tenders were received via Public Contracts Scotland and passed to Thomson Costs Consultants for review and checking. Following a review of the tenders it is the recommendation of staff that the Committee appoint Wilson Decorators to carry out these works. Wilsons offered the best price and it is well within the Associations budget, and should Wilsons be appointed it is expected these works will begin in August 2023 and

last up to 16 weeks before completion. It was also noted that Wilson Decorators are a local Kirkintilloch business located not far from the Association's office.

Following some discussion Committee subsequently agreed to appoint Wilson Decorators as the Cyclical Painter and Small Works contractor.

9. Policy Reviews

M White referred the Committee to policies which were included within the Meeting Papers and highlighted that these covered some of the action points from the recent Assurance Statement Baseline Review.

Committee Remits Policy

Committee were asked to read over the reviewed Committee remits policy before approving or suggesting any amendments.

After reading over the Committee Remits Policy Committee subsequently approved the policy.

Committee induction policy

Committee were asked to read over the reviewed Committee Induction policy before approving or suggesting any amendments.

After reading over the Committee Induction Policy Committee subsequently approved the policy without any amendment.

Committee code of conduct

Committee were advised that there had been no changes to the Committee Code of Conduct and were asked to approve.

Committee subsequently approved the Committee Code of Conduct without any amendment.

Customer Care Policy

Committee noted that there had been some minor changes to the Customer Care Policy and were asked to take note of these changes before giving its approval.

After reading over the policy and noting its amendments Committee approved the Customer Care Policy.

10. Equalities Action Plan

C McKiernan presented Committee with the Equalities Action Plan. C McKiernan advised that training has been organised for members for 18 October 2023 which will cover acceptable language this will be delivered online at 5pm.

Committee noted the contents of the Equalities Action Plan.

11. A.O.C.B

S Macintyre advised that an HR Sub-Committee meeting is due to take place soon but has asked if anyone would be interested in taking part in the recruitment process for his successor that they let him know. The HR-Sub will consider options as to how the recruitment process would be undertaken.

12. Date of Next Meeting

Wednesday 6 September 2023

Minutes prepared by K Tait, Corporate Services Assistant

Date: 04 August 2023

Chairpersons Signature:

Date:

Copies of the above reports are available on request.