

## HILLHEAD HOUSING ASSOCIATION 2000

### Minutes of the Management Committee Meeting held on Wednesday 3 February 2021 at 5pm via Zoom

**Present:**

C Taylor	S Niven
L Scott	Cllr S MacDonald
Cllr S Murray	R Smith
Cllr J Jamieson	

**In Attendance:**

- S Macintyre, Director
- C McKiernan, Housing Manager / Depute Director
- S Tait, Head of Development & Property Services
- M White, Head of Corporate Services
- K Tait, Corporate Services Assistant
- P Long, FMD Financial Services (Agenda Item 5)

#### 1. APOLOGIES

Apologies were received from G Jackson, D Wilson and W Hassan. It was noted that M Docherty was on continued leave of absence. C Taylor advised that she had spoken with M Docherty and that she would now be happy to be set up digitally in order that she could resume attendance at meetings via virtual means. It was agreed that the Management Team would organise this.

#### 2. DECLARATIONS OF INTEREST AND MEMBERSHIP OF SUB COMMITTEE

Staff declared an interest in Agenda Item 4.1, where an update on the pay award April 2021 would be given.

#### 3. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETINGS

##### Management Committee Meeting – 2 December 2020

##### Page3 – item 7 – Committee Succession plan and member drive

S Macintyre asked Committee if they were happy for the Association to advertise to the public looking to recruit new members to join the Management Committee. Following discussion Committee agreed that it would be happy for the Association to advertise for new members.

The minutes were approved by Cllr S Murray and seconded by L Scott

#### **4(i) DIRECTOR'S REPORT**

##### **1. Scottish Housing Regulator**

S Macintyre informed Committee that the Association had submitted its monthly return for the month of January.

S Macintyre added that the Association will update the Regulator as it had a notifiable event. This was due to a gas service certificate expiring due to the effects of Covid.

##### **2. Lockdown**

Committee were reminded that current restrictions mean that only a small presence of staff remain onsite at the Association's office; however the office has been prepared to welcome a larger staff presence when permitted to do so.

##### **3. Strategic Planning**

Work on a revised strategic plan has been delayed due to the ongoing pandemic. It is anticipated that a draft will be circulated at the March 2021 meeting.

##### **4. Pay Award**

S Macintyre presented the Committee with EVH's proposed pay award for staff for the next two years and asked for a decision. S Macintyre advised that the proposal for this year would be an award of 0.8% with the next year's award be the October 2021 CPI plus 1%.

Following discussion the Committee subsequently agreed to support EVH's proposal.

##### **5. SFHA Membership renewal**

S Macintyre advised the Committee that the Association's membership with Scottish Federation of Housing Associations (SFHA) was up for renewal. The cost to renew is just over £9,000 which S Macintyre advised represents good value for Money. He added that the SFHA continues to be very supportive to its members during the pandemic.

Committee subsequently approved the Association's membership renewal with the SFHA.

#### **4(ii) INTERNAL MANAGEMENT PLAN – QUARTER 3 REPORT**

S Macintyre presented the Committee with the Internal Management Plan – Quarter 3 Report and highlighted these points.

S Macintyre advised that spending on the environmental works had slowed down due to lockdown however had picked up again as the year progressed and the Association will be close to its spending target of £500,000 by March 2021.

S Macintyre explained that he and S Tait had met with CALA Homes in January to discuss the potential development at Fauldhead and Chryston Road. Following this, a meeting was then held with East Dunbartonshire Council as a result of CALA submitting their pre-planning application. S Macintyre added that EDC were suggesting that all properties the Association receives be let to EDC nominations. S Macintyre advised that under the current arrangements the Association continues to work with the current agreement of 45% of lets to EDC nominations and that he had advised the Officers present at the meeting this would apply to this project. The Councils Officers indicated that this would need to be referred back to more senior staff for consideration. S Macintyre added that should all go well with the planning application CALA anticipate a site start could be achieved in January 2022.

The Committee noted that the Association has had to halt its heat and smoke detector installation programme due to current covid restrictions. It was noted that the Property Services Team plans to have this programme up and running as soon as it is safe to do so.

The Committee noted the contents of Internal Management Plan – Quarter 3 Report.

#### **4(iii) BENCHMARKING CLUB – QUARTER 3 REPORT**

S Macintyre presented the Committee with the Benchmarking Report for Quarter 3. S Macintyre explained that there had not been much change to the report since it was last presented and highlighted the good performance being maintained by the Association's staff and maintenance contractors.

The Committee noted the contents of the Benchmarking Report.

#### **4(iv) DRAFT COMMITTEE WORKPLAN 2021**

S Macintyre presented the Committee with the Draft Committee Work plan for 2021. The Committee were asked to look over and approve the draft plan which sets out key tasks for the Management Committee on a month by month basis. The plan will also see meeting dates for all sub committees added when dates are confirmed.

Following some discussion the Committee subsequently approved the Committee Work plan for 2021.

The Committee noted that P Long was going to be delayed in joining the meeting, therefore it was agreed to consider the other items on the agenda and leave Agenda Item 5 until the end.

### **5. FINANCE REPORTS**

#### **(i) Management Accounts to 31 December 2020**

In P Long's absence, S Macintyre presented the management accounts to 31 December 2021.

##### Statement of Comprehensive Income

The Committee noted that the Association has made an operating surplus of £1.078m for the period to 31 December 2020. This is higher than the budgeted surplus which is

mainly due to lower staff costs, lower maintenance costs and lower overheads at this stage.

Net interest payments of £512,000 reduce the surplus to £556,000 for the year to date compared to a budgeted surplus of £208,000.

It is expected that there will be a net surplus of £630,000 compared to the budgeted surplus for the year of £298,000.

#### Statement of Financial Position

The Committee noted that housing capital expenditure in the year amounts to £340,000. The net cost of housing assets at December 2020 is £25.26m. The net cost of other fixed assets is £1.021m.

Cash balances at December 2020 total £2.41m which is higher than the budgeted amount of £1.503m. S Macintyre highlighted that it is now forecasted that the cash balance at March 2021 will be £2.429m compared to the original budget of £1.754m.

Long term creditors sit at £14.264m and includes the Scottish Government loan of £680,000. Deferred income is £12.67m.

The Association's net assets at December 2020 amounted to £1.505m

#### Covenants

P Long joined the meeting at this point and took over presentation of the finance reports.

P long advised the Committee that the Association is able to comply with all financial covenants as stipulated in the loan agreement with the Royal Bank of Scotland

The Committee were reminded that the Corona Virus is having a continuing effect on the Association's finances. P Long highlighted that void losses have increased beyond what would be expected in normal circumstances due to empty houses not being able to let during the first lockdown and ongoing restrictions which means void management is generally taking longer. It was also highlighted that rent arrears had increased significantly in Q1 and although there has been a reduction arrears in Q2 and Q3 it is forecast that rent arrears would start to pick up again and are expected to continue to rise into March 2021.

To finish P Long did explain to the Committee that despite the effects of the pandemic the Association still remains in a strong financial position and would be able to comply with all its financial commitments and covenants.

#### **(ii) Draft Budget 2021/22**

P Long presented the Draft Budget for 2021/22 to the Committee for approval.

#### Statement of Comprehensive Income

P Long explained that a rent increase of 0.7% has been applied for this year. This will generate a total rental income of £3.79m for the year. Revenue grants of £47,000 will

be received via stage 3 adaptations. Capital grants amortised in the year will be £440,000.

Other income of £52,000 will be received for welfare rights and director services provided to other RSL's.

Total turnover for the year will be just over £4.3m

Staff costs will include a 1% pay award on top of any increments which will mean the total staff costs for the year will amount to £866,300.

Reactive and Cyclical Maintenance costs for the year will amount to £780,000. Overheads will amount to £403,000 and other costs will amount to £47,300.

Total operating costs will be just over £3.218m. The Association will therefore have an operating surplus of £1.11m in the year.

P Long confirmed that there will be a net surplus in the year of £370,000.

### Statement of Financial Position

It was noted that the Association will start the year with a cash balance of £2.314m and this will increase during the year especially when the balance of Facility B (£2.681m) is drawn down. P Long reminded the Committee that this must be drawn down by December 2021 and would be used to support funding of future developments. The closing cash balance will be £5.250m

The value of debtors and short term creditors will take the value of working capital to £4.959m.

### Long Term Liabilities

Long term liabilities will total £16.735m and will include the amount due to the Royal Bank of Scotland after one year (£16.055m) and the amount repayable to the Scottish Government (£680,000).

### Covenants

P Long advised that the Association will be able to comply with all of the financial covenants in the loan agreement with the Royal bank of Scotland.

## **6. QUARTERLY PERFORMANCE MANAGEMENT REPORT TO 31 DECEMBER 2020**

S Tait and C McKiernan presented Committee with Quarter 3 performance report for Property Services and Housing Management.

### Repair Completion time

The Committee noted the percentage for all emergency repairs being completed on time in Q3 was 98.33% and it was also noted the percentage of all non-emergency repairs completed on time in Q3 was 96.13%. S Tait added that the average

completion times for emergency repairs in Q3 was 1 hour and 20 minutes which is within the target of 2 hours, and the average completion time for all non-emergency repairs was 3.04 days which is also within its target of 6 days.

S Tait explained that there were 2 gas services not completed on time however he did advise that these were down to issues with Covid and have since been completed. S Tait advised Committee that there were currently 9 properties where the gas supply has been capped. Staff would update the Scottish Housing Regulator accordingly via a Notifiable Event.

#### Procurement – Gas Servicing and Repairs Contract

S Tait advised the Committee that this procurement process is ongoing and that we have received 7 ESPD's from interested bidders; however he expects 6 bidders to be invited to tender. S Tait advised he will come back to Committee with an update on the exercise and will confirm membership of the Tender Panel.

#### Voids & Lettings

C McKiernan explained that letting activity remained at a normal level in Q3 with the Association letting 14 properties which was the same number as in Q2.

C McKiernan advised that the Association is slightly behind its target of 45% of lets to EDC and that the actual figure sits at 40%. C McKiernan explained that the reason is not due to a lack of offers on the Association's part but rather that EDC referrals do not wish to be rehoused in Hillhead. C McKiernan did add that the Association will continue to work with EDC to achieve this figure during the final quarter of the year.

The Committee noted that relet times for Q3 averaged at 28 days which is much closer to the Association's target than was the case in the first six months of the year. C McKiernan did advise however that as tighter restrictions have been implemented again from 26 December 2020 the Association is feeling an impact on letting activity.

It was also noted that the Association received no refusals to any offers made in Q3.

#### Rent Arrears

At the end of Q3 current tenant arrears sat at 3.72% compared to 4.53% at the end of Q2. C McKiernan explained that this further reduction is largely attributed to a change to the way Universal Credit is paid to the Association. This will result in a reduction in the level of debt the Association carries for tenants who are UC claimants and whose rent is paid directly to the Association. However this affect will only occur this year.

#### Anti-Social Behaviour

C McKiernan advised the Committee that there were 14 new anti-social complaints submitted to the Association during Q3. The Committee noted that 12 of these complaints were resolved within the target timescales, with the 2 unresolved complaints currently in hand having being impacted by the Christmas break.

S Niven asked C McKiernan on some clarification to what the Association takes into account when considering writing off a bad debt. C McKiernan explained there are a range of factors that they take into account such as, the amount of the debt i.e. if it's a small amount of £20 is it worth pursuing the former tenant? And also the length of time a debt has been on the account and the circumstances the person may be in. C

McKiernan did add however that if a person with a debt that has been written off does reapply for housing with the Association then we will communicate with them to arrange to pay off the debt previously written off.

Committee noted the contents of the performance report.

## **7. ANY OTHER BUSINESS**

### IT Infrastructure Upgrade Procurement

Committee were presented with a report detailing the outcome of a recent procurement carried out by the Association to appoint a company to carry out the Association's IT infrastructure upgrade. It was noted that there were 4 bids received however only 3 were scored as one bid was not submitted properly. The submissions were assessed by the Director, Deputy Director/Housing Manager and the System Support Officer. The top 2 scorers were then invited to be interviewed and it is now the recommendation that following these interviews that Committee give its approval for the Contract to be awarded to Lugo.

C McKiernan confirmed that the Association has contacted 2 other housing associations who are currently customers of Lugo for references. Both have responded to the Association and both highly recommend Lugo. It is anticipated that the contract will commence on 1 March 2021 and the contract sum being £26,714.00 over 2 years.

Committee subsequently approved the appointment of Lugo as the Association's IT Support provider to deliver the IT infrastructure Upgrade contract.

## **8. DATE OF NEXT MEETING**

Wednesday 3 March 2021 (Final Budget)

Minutes prepared by; K. Tait, Corporate Services Assistant  
12/02/21

Chairperson's Signature:

Date:

Copies of the above reports are available on request.