

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 3 May at 5.30pm

Present: J Jamieson (Chair)
C Taylor
Cllr S Murray
A McPhee
K McIntyre
R Smith

In Attendance: S Macintyre, Director
C McKiernan, Depute Director/Housing Manager
M White, Head of Finance and Corporate Services
S Tait, Head of Development & Property Services
K Tait, Corporate Services Assistant
P Long, FMD

1. APOLOGIES

There were apologies from L Scott, P O'Connell, G Jackson, W Hassan and S Niven.

2. DECLARATION OF INTEREST/DEFERRED ITEMS

There were no declarations of interest.

3. MINUTES AND MATTERS ARISING

Management Committee Meeting – 5 April 2023

These minutes were proposed by J Jamieson and seconded by C Taylor.

Audit Sub-Committee 12 April 2023

These minutes were proposed by J Jamieson and Seconded by C Taylor.

Policy Sub-Committee 5 April 2023

These minutes were proposed by J Jamieson and Seconded by C Taylor.

Wider Role & Regeneration Sub Committee 29 March 2023

These minutes were proposed by J Jamieson and Seconded by C Taylor.

4. DIRECTORS REPORT

Scottish Housing Regulator and the ARC

S Macintyre asked for Committee approval to give delegated authority to the office bearers to meet and approve the ARC in order it can be submitted by the deadline of 31 May 2023. A summary of the ARC return would then be presented to the next meeting of the Management Committee on 5 June 2023. This was agreed.

S Macintyre confirmed that as with last year the Scotland's Housing Network will be carrying out a desktop validation check of the data to provide Committee with external assurance.

Governance

S Macintyre advised that the Association is seeking new Committee members and advertisement will be going out to members of the Association soon.

Committee noted that the suite of Committee remits will be presented at the June Management Committee meeting for review.

S Macintyre confirmed that Alex Cameron plans to hold the Assurance Statement Baseline review sessions with those Committee members who agreed to take part on either the 12th or 22nd of June 2023.

Health & Safety

S Macintyre advised that action points raised from last month's workplace inspection are being followed up.

Cyber Security/ICT

S Macintyre has been invited by the Associations I.T provider LUGO to attend a seminar hosted by them on secure hybrid working.

S Macintyre added that the Association has begun preparation for renewal of the Cyber Essentials accreditation. Staff are now enrolled in cyber security tests regularly with an average score of 95%.

Correspondence

S Macintyre advised that the Association received a letter from Stuart McDonald who is the MP for the area congratulating the Association on securing extra funding to help our tenants in the cost-of-living crisis.

New Build

S Macintyre advised that there were no further updates to provide the Committee following on from last month's Management Committee meeting. He added that he will keep Committee updated as more information comes in.

Equalities

S Macintyre informed Committee that there will be an update under Agenda Item 6.

Internal Audit Risk Management

A copy of the annual internal audit plan was attached for Committee members to note. S Macintyre advised that the Audit Committee continue to have oversight of the work of internal auditors during the year.

Strategy Review

S Macintyre thanked Committee members who were able to attend the strategy review day on 20 April 2023 and gave a breakdown of what took place for those who were unable to attend.

Committee noted the contents of the Directors Report.

5. Finance Reports

Management Accounts to 31 March 2023

P Long presented Committee with the Management Accounts for the Association up to 31 March 2023.

Statement of Comprehensive Income

The Committee noted that the Association has made an operating surplus of £1.352m for the period to 31 March 2023. This is higher than the budgeted surplus of £1.187m which is mainly due to lower planned maintenance costs.

Net interest payments of £729,000 reduce the surplus to £623,000 for the year to date compared to a budgeted surplus of £519,000. Other comprehensive expenditure of £29,000 reduces the net surplus to £594,000.

P Long advised the Committee that it is expected that there will be a net surplus of £503,000 relating to other transactions in the period up to 31 March 2023.

Statement of Financial Position

The Committee noted that housing capital expenditure in the year amounts to £130,000 and that the net cost of housing assets at March 2023 is £23.973m with the net cost of other fixed assets at £966,000.

Cash balances at March 2023 total £3.804m which is slightly higher than the budgeted amount of £3.79m. P Long highlighted this is due to a higher starting position and a higher surplus to date offset by higher capital expenditure and higher interest payments. It was also noted that the cash balances are not due to change up to 31 March 2023

Long Term Creditors currently sit at £13.8m and this includes the Scottish Government loan of £680,000. The pension valuation is -£2,000 and the value of Deferred Income sits at £11.743m

P Long advised therefore that the Association's net Assets at March 2023 amounted to £2.792m.

Covenants

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

5ii. 5 Year Projections

P Long Presented the Five-Year Financial Projections from 2023/24 to 2027/28 for approval by Committee and submission to the Regulator. P Long advised that the starting point for this year's return is the annual budget to 31 March 2023 (year 0) followed by the annual budget for this year 2023/24 (year 1).

Statement of Comprehensive Income

P Long explained that inflation was 4.2% for year 0 and 11.1% for year 1 and it is expected that this will decrease to 2.0% by year 4 and beyond. Rents were increased by 7% in year 1, 4.1% below the rate of inflation (CPI.) It has been assumed that rents will increase by CPI+1% in years 2&3 and CPI only in years 4&5. This is in line with the Association's long term financial forecasts.

Interest Payments will decrease slightly each year despite forecasted increases in interest rates. This is due to increasing loan capital repayments.

The net surplus will increase over the 5 years from £340k in year 1 to £1.004m in year 5.

Statement of Financial Position

Committee noted that the cost of housing assets will increase by £1.2m over the 5 years. The depreciation of these costs will continue and the net cost of housing assets at the end of the period will be £21.7m

The net cost of non-housing assets will be £0.840m at the end of the period.

Net rent arrears are expected to increase during the five years as will other receivables.

Cash balances will decrease over the 5 years as loans continue to be paid. The cash balance at the end of year 5 will be £609,000.

Loans due after one year will decrease in line with loan repayments. The balance of loans due after one year at the end of year 5 will be £6.1m.

The value of deferred income will decrease over the five years as further amounts are released into reserves. The balance at the end of year 5 will be £9.194m.

The value of the pension liability was -£2,000 at March 2023 and it has been assumed that this will not change.

Reserves will increase over the five years and will total £5.986m at the end of year 5.

Statement of Cashflow

The cashflow statement shows that the Association will continue to generate cash from its operating activities and will continue to invest in properties.

Interest payments will decrease over the period; however the Association will have enough cash to meet all of its expenditure requirements over the five years.

Additional Information

There is confirmation that no new developments are planned during the five years, (although the Association is still considering the possibility of additional housing developments) and of an increasing average cost of borrowing, in line with assumed increases in interest rates.

There is also confirmation that the Association is in good stead to complying with loan covenants.

Committee were asked to approve the projections before they are submitted to the Regulator. Committee approved the 5-year projections.

6. Annual Report on Equalities Return

M White presented Committee with the Equalities Return report. The Association collects data on all the protected characteristics from housing applicants, tenants, job applicants, committee members and staff. For the purpose of the report results have been shown for returned equalities surveys from current tenants and those on the housing list.

K McIntyre asked if this subject can be raised again at a future Management Committee meeting to consider if anything extra can be done by the Association to tackle barriers for the groups with protected characteristics. This was agreed by Committee. Following some further discussion Committee noted the contents of the Equalities return report.

7. Q4 Performance Report

Property Services

Committee noted that 100% of emergency repairs were completed on time in Q4 with the average for the year sitting at 97.52%. 96.5% of non-emergency repairs were completed on time with the yearly average sitting at 97.66%. The average time to complete emergency repairs was 1 hour 10 minutes and non-emergency repairs was 2.97 days.

S Tait advised that there were no properties with an outstanding Gas Safety Certificate. All properties now have a valid CP-12 certificate with 10 properties having a capped supply. S Tait did advise of an anomaly that has occurred within the Association relating to the recordings of the gas safety certificates. It has shown that there are properties with outstanding gas safety certificates when they are actually in fact in date. This has occurred as the Association has changed the way it works its gas safety certificate accreditation along with the implementation of a new maintenance system on the Associations I.T systems. The issue should now be resolved, and the regulator will be notified as is required by its guidance and by our own Notifiable Events policy.

Committee noted that the Association invited 7 contractors to tender for the upcoming major adaptation works. However only 2 tenders were received. After consulting with Thomson costs consultants, it is recommended that the Association award the contract to Graham Construction limited who were the lowest tender at £59,475. Whilst this is higher than the indicative costs the Association received a year ago of £54,600, S Tait did advise that prices have risen significantly in the last year. S Tait advised that the Scottish Government

is willing to prioritise the funds required to meet the increase in costs for the Association.

S Tait explained that there was a total of 91 properties which required an EICR test (Electrical Test) in the year 2022/23. Of the 91, all have been completed including any follow up work that was required and now all have a valid electrical safety certificate. The Association managed to get access to all 4 outstanding properties from the 2021/22 programme. With 3 of the 4 receiving valid certificates and the 1 other property requiring follow up work.

Housing Management

C McKiernan advised that there were 8 properties that the Association let in Q4 bringing the total for the year up to 51 properties, with the average re-let time for the quarter sitting at 42 days. She explained this is an increase from the previous quarter but is due to a void sitting for 119 days before its re-let. It was noted that by excluding this void the average re-let time in the quarter would be 31 days. The Association also had 0 refusals in this quarter.

Current tenant arrears were 2.43% or £96,892.51 at the end of Q4 compared to 2.94% or £117,291 at the end of Q3. Former tenant arrears at the end of March 2023 were £28,703.

The Association received 8 anti-social behaviour complaints in Q4 with both cases being resolved within the timescale.

Committee noted that the welfare rights team earned £63,583.33 in additional benefits for Hillhead tenants in Q4.

Finance & Corporate Services

The Association received 2 stage 1 complaints and 2 stage 2 complaints in Q4 with 100% of the stage 1 complaints being upheld and 50% of the stage 2 complaints being upheld. M White explained that the upheld complaints were in relation to delays by contractors. Property services staff continue to liaise with contractors and monitor these situations.

There was 1 Freedom of information request submitted and responded to in the correct timescales with no subject access requests being received.

There was one minor data breach occurring in the quarter which was in relation to an email being received by a tenant in error. However, the Association's data protection officer advised that there was no requirement for the breach to be reported to the Information Commissioner.

8. Damp Mould and Condensation Strategy

S Tait presented Committee with a new policy for approval. The purpose of the policy is to outline how we correctly tackle the challenge the Association and its

tenants face in the prevention of dampness, mould and condensation from occurring in the properties. The policy includes a commitment that should a tenant report a sighting of mould in their home, then the Association will ensure that a member of staff attend the home within 3 working days to inspect the mould and issue any necessary follow up work should it be required.

Following some further discussion, the Committee approved the Damp Mould and Condensation strategy policy.

9. A.O.C.B

There was no other business.

10. Date of Next Meeting

Wednesday 7 June 2023

Minutes prepared by K Tait, Corporate Services Assistant

Date: 09/05/2023

Chairpersons Signature:

Date:

Copies of the above reports are available on request.