

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 8 February at 5.30pm (Hybrid Meeting)

Present: J Jamieson (Chair)
C Taylor
R Smith
P O'Connell
S Niven
G Jackson
Cllr S Murray

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
L McDonald, Finance Assistant
P Long, FMD

1. APOLOGIES

Apologies were received from W Hassan, M Docherty, A McPhee. K McIntyre, D Wilson are on a continued leave of absence and L Scott has requested a leave of absence which was approved.

2. Declaration of Interest/Deferred items

C Taylor declared an interest in the GWSF annual fee renewal.

3. Minutes and Matters arising

Management Committee Meeting – 7 December 2022

J Jamieson asked if some amendments can be made to the minutes to include the acknowledgment of the Association to include mould and dampness reports regularly at future Management Committee Meetings.

Committee acknowledged the proposed amendments and these minutes were Approved by J Jamieson and seconded by C Taylor

Health and Safety sub committee

These minutes were Approved by R Smith and seconded by C Taylor

Audit sub committee

(Minutes yet to be formally approved and seconded)

4. Directors Report

Scottish Housing Regulator

S Macintyre explained that the Scottish Housing Regulator is prioritising tenant safety and following the recent issue over damp and mould the regulator is introducing new guidance and possibly some additional regulatory requirements to cover this area. The Association's representative bodies are in discussion with the Regulator on this issue as well as the upcoming review of the regulatory framework.

Rent Freeze/Cap Legislation

S Macintyre advised that the rent freeze/cap is due to expire on the 26th of February 2023.

New Builds

S Macintyre advised that CALA acquired both sites early in January and added that as far as the Association is aware the site should start in the summer. McTaggart's construction have had further meetings with CALA regarding the affordable housing plots and anticipate that they will receive a cost plan soon. Once the Association has received this information it will be able to carry out a financial scheme appraisal to determine if it will stack up or not. The Association has received a draft development service agreement from C-urb and as soon as the Association has a fully detailed development report drawn up it will be presented to Committee for approval.

Strategy Review

S Macintyre asked if the strategy review could be pushed back to take place in either April or May this would fit in with the revised business planning cycle which will now take place annually following the approval of the final budget in March. This was agreed.

Procurement Audit

S Macintyre provided Committee with an update on the recent internal audit which took place and asked for Committee's approval on an amendment

4.2 Draft Committee Work Plan

S Macintyre presented Committee with this report detailing the work plan for the year ahead to 31 December 2023. Committee noted the contents of the draft Committee work plan and approved it.

5. Finance Report

i) Management Accounts to 31 December 2022

P Long presented Committee with the Management Accounts up to 31 December 2022 and highlighted the following: -

Statement of Comprehensive Income

The Committee noted that the Association has made an operating surplus of £955,000 for the period to 31 December 2022. This is higher than the budgeted surplus which is mainly due to lower maintenance costs and lower overheads at this stage.

Net interest payments of £530,000 reduce the surplus to £425,000 for the year to date compared to a budgeted surplus of £339,000. Other comprehensive expenditure of £28,000 reduces the net surplus to £396,000.

P Long advised the Committee that it is expected that there will be a net surplus of £443,000 compared to the budgeted surplus for the year of £462,000.

Statement of Financial Position

The Committee noted that housing capital expenditure in the year amounts to £102,000 and that the net cost of housing assets at December 2022 is £24.2m with the net cost of other fixed assets at £959,000.

Cash balances at December 2021 total £3.487m which is higher than the budgeted amount of £3.47m. He added that the forecasted cash balance for March 2023 is now £3.645m and this is lower than the original budget mainly due to higher projected capital expenditure and changes to debtors and creditors.

The value of loans due sits at £13.8m and this includes the Scottish Government loan of £680,000. The pension fund valuation is £-2,000 at this stage and the value of Deferred Income sits at £11.85m.

P Long advised therefore that the Association's net assets at December 2022 amounted to £2.594m.

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.

In summary, P Long explained to the Committee that the Association remains in a strong financial position and would be able to comply with all its financial commitments and covenants.

Following discussion, Committee subsequently approved the Management Accounts to 31 December 2022.

(ii) Draft Budget 2023/24

P Long presented the Draft Budget for 2023/24 to the Committee for approval.

Statement of Comprehensive Income

P Long explained that a rent increase of 7% has been applied for this year. This will generate a total rental income including garages of £4.226m for the year. Revenue grants of £46,000 will be received via stage 3 adaptations. Capital grants amortised in the year will total £424,900.

Other income of £50,500 will be received for welfare rights and director services which are provided to other RSL's.

Total turnover for the year will be just over £4.48m

Staff costs will include an assumed 5.25% pay award on top of any increments which will mean the total staff costs for the year will amount to £972,800. The cost of indirect staff costs i.e., financial services will be £32,000.

Reactive and Cyclical Maintenance costs for the year will amount to £799,900. Overheads will amount to £542,100.

Total operating costs will be just over £3.695m. The Association will therefore have an operating surplus of £1.053m in the year

P Long confirmed that there will be a net surplus of £325,400 at March 2024.

Statement of Financial Position

It was noted that capital expenditure in the year will amount to £515,800. The total cost of housing assets after depreciation will be £23.4m. The Association's closing cash balance at March 2023 will be £3.79m this will decrease to 2.062m by year end this is mainly due to loan repayments of £2.2m.

The value of debtors and short-term creditors will take the value of working capital to £645,000.

Long Term Liabilities

Long term liabilities will total £10.634m and will include the amount due to the Royal Bank of Scotland after one year (£9.954m) and the amount repayable to the Scottish Government (£680,000).

Net Assets/Reserves

The net assets of the Association will be £3.029m at March 2024 and this will be matched in the reserves.

Covenants

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

Following discussion Committee subsequently approved the draft budget for 2023/24. In the event of any changes a Final Budget will be presented to the Committee at the March meeting.

6. Rent Review 2023/24

C McKiernan presented Committee with this report detailing the response from tenants to the Association's rent consultation on the proposed rent increase for the year 2023/24.

As the Committee were aware the Rent Consultation has taken place at a time where the Scottish Government had implemented a rent freeze on social and private rented housing with a possible extension into the next year. The controls have now been lifted allowing the Association to implement a rent increase on 28 March 2023. A report was presented at the December 2022 Management Committee Meeting on the rent review consultation and considered the impact and affordability this increase may have for the Association and its tenants.

The Association used various means of communications to try and get as many tenants as possible to engage with the rent consultation. This included every tenant receiving a rent consultation document through the post with a reply paid envelope included. The Association also sent a link to the consultation via all registered email addresses and phone numbers this link allowed tenants to complete the form online. The Association's social media pages and website also regularly advertised and had links to the consultation allowing for it to be completed online or a tenant could get in touch to receive a paper copy.

Tenants were consulted on a proposed increase of 7% tenants were asked to either agree or disagree and where tenants disagreed, they were asked to provide comments as to why they disagreed with the proposed increase. The Consultation resulted in a response of 132 (16.3%) tenants. Out of the 132 tenants that responded 59 (44.7%) agreed with the proposed increase of 7% and 73 (55.3%) disagreed with the proposed rent increase of 7%.

There then followed some discussion regarding the proposed increase. The Committee highlighted the comments made by those who responded to the consultation and acknowledged how tough the current climate is for the Association's tenants with the cost of groceries, gas and electricity increasing. Committee noted that should the Association approve the proposed increase the Committee asked that the Association stress to its tenants why the proposed increase is the best option for both the Association and its tenants.

Committee agreed that this increase in rents would ensure that the Association has the resources to invest in increasing energy efficiency in properties as well as provide new kitchens and bathrooms to be installed.

It was also noted that the Association continues to provide support for its tenants through acquiring grants and its welfare rights service and income maximisation services.

Following the end of the discussion the Committee subsequently approved the proposed rent increase of 7%.

7. Q3 Performance Report

Property Services

S Tait presented Committee with the property services Q3 performance report.

He reported that in Q3, 95.55% of all emergency repairs were completed on time, a drop from 98.27% in the previous quarter and is below the target of 100%. He added that 98.97% of all non-emergency repairs were completed on time which was an improvement from the previous quarter and above the target of 95%.

The average time to complete emergency repairs was 1 hour and 29 minutes this is well within our target time of 2 hours. Non-emergency repairs took an average time of 2.42 days and again he reported is well within our target of 6 days.

S Tait advised that there were no gas safety inspections missed in Q3. All 823 of the Associations stock have a valid CP12 certificate. 13 of the Associations stock have their gas supplies capped with the Association monitoring these properties regularly.

Committee noted that contractors have been invited to tender for a major adaptation via Public Contracts Scotland. It was noted that grant funding set aside for this work would not be drawn this financial year so would be re-allocated to other housing associations. The Association will therefore have to

re-apply for funding for the year 2023/24. S Tait highlighted the Scottish Government will prioritise this adaptation for funding in 23/24. S Tait agreed to provide further updates to Committee in due course.

S Tait advised that the Association was allocated £47,000 for general adaptations from the Scottish Government for 2022/23 and to date all this funding has been committed. There are currently 6 properties now on a waiting list that requires adaptation. The Association had applied for an extra £20,000 in funding however the Association has been advised that this was not successful and these adaptations would need to be funded out of next year's allocation.

Electrical Installation Condition Reports (EICRs).

S Tait advised that by the end of Q3 there were 86 properties that required an EICR. Of these 27 have a satisfactory EICRs, 52 properties had unsatisfactory EICRs which require follow-up works, and 7 are still outstanding.

The Association received 15 completed tenant satisfaction surveys in Q3 and recorded satisfaction was at 93.33%, below the target of 95%. Of the 15 surveys returned 14 were satisfied and 1 was very dissatisfied.

Housing Management

C McKiernan presented Committee with the Housing Management Q3 performance report.

The Association let 11 properties in Q3 bringing the total amount for the year 2022/23 to date at 43. In total, 30.3% of lets so far have gone to EDC which is below target and therefore housing officers will prioritise lets to EDC for the remainder of the year.

C McKiernan reported that the average relet time for the quarter was 31 days which is higher than the previous 2 quarters. She explained that given the volume of voids and the property services team being a member of staff short for much of the quarter, she does not view this as a cause for concern.

There were no refusals in the quarter.

Committee noted that current tenant arrears for the quarter were 2.94% (£117,291) compared to 2.59% (£103,285) at the end of quarter 2.

There were 4 anti-social behaviour complaints 3 of these were resolved during the quarter and 1 is still ongoing as it was reported just before Christmas.

Finance & Corporate Services

M White presented Committee with the Finance and Corporate Services Q3 Performance Report.

Complaints for both Q2 and Q3 were included in the report, for Q2 the Association received 3 stage 1 complaints with all of these complaints being resolved in the appropriate timescale, for Q3 there were 5 stage 1 complaints received these were also resolved within the appropriate timescale. There were no stage 2 complaints received in both quarters.

There were no FOI, EIR or Subject Access requests received in the period and no Data Breaches.

Committee noted the contents of the Q3 performance report.

8. A.O.C.B

Procurement/Appointment of landscape/grounds Maintenance Contractor

S Tait presented Committee with the above report and asked for its approval to appoint a new landscape maintenance contractor. After highlighting the quality scores and prices submitted by each of the respective tenderers the Committee agreed to award the contract to DS McG on the terms outlined in the Report.

There was no other business.

9. Date of Next Meeting

Wednesday 1 March 2023

Minutes prepared by K Tait, Corporate Services Assistant

Chairperson's Signature:

Date:

Copies of the above reports are available on request.