

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 7 February 2024 at 5.30pm (Hybrid Meeting)

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

In Attendance: S Macintyre, Director
C McKiernan, Depute Director/Housing Manager
M White, Head of Corporate Services
S Tait, Head of Development & Property Services
L McDonald, Finance Officer
P Long, FMD
S McCready, Wylie & Bisset

It was noted that M McIntyre had submitted her application form for membership of the committee. It was agreed that she would fill a casual vacancy.

1. **APOLOGIES**

Apologies were received from A McPhee. It was noted that W Hassan is on a leave of absence and has requested that this be extended for another month which was approved.

2. **Declaration of Interest/Deferred items**

S Macintyre declared an interest on behalf of the Association's staff in attendance with regards to the pay award.

3. **Minutes and Matters arising**

Management Committee Meeting 06/12/23

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

Audit Committee Meeting 06/12/2023

These minutes were proposed by J Jamieson and seconded by S Niven.

HR Sub-Committee Meeting 17/01/2024

These minutes were proposed by J Jamieson and seconded by P O'Connell.

Meeting of Office Bearers Meeting 17/01/2024

These minutes were proposed by J Jamieson and seconded by S Niven.

4. Directors Report

Scottish Housing Regulator (SHR)

S Macintyre advised that the Association has begun inspections on properties within the Association's stock for RAAC. Engineers from the Structural Partnership will carry out inspections and a report will be presented to Committee at a future meeting.

S Macintyre also explained that the notifiable event for the new director post is due to be closed on 12 February 2024.

Health & Safety

An office walkaround took place on 24 January 2024 with a couple of action points noted within the office. S Macintyre advised that the Association is beginning preparations for the health and safety audit which is due to take place in February or March.

I.T

S Macintyre informed Committee that the new Committee Portal is now online via the Association's website. This will be the primary method for Committee members to access agendas and reports for meeting, as well as to confirm attendance or note apologies. Other useful information will also be placed in a library section. Members have been asked to return the laptops that were issued to them as soon as possible.

EVH

S Macintyre advised that the Annual Membership for EVH is now up for renewal for the year 2024/25. Committee noted that the fee is £5,193 which was allowed in the draft budget for 2024/25. Committee subsequently approved this.

S Macintyre explained to Committee that a pay award ballot was attached to the correspondence for discussion and a decision to agree with the proposed

pay award percentage or reject the proposal. (Staff left the meeting at this point.) Committee agreed to record that it was in favour of the proposed pay award. (Staff rejoined the meeting.)

Recruitment

S Macintyre advised that the Association is recommending the continuation of the Depute Director role, as approved at the recent HR Sub Committee meeting. Members of the Association's Management Team were asked to express their interest in the role by 24 January 2024. A recruitment process is underway and will conclude shortly. The Association will look to appoint a new Housing Manager or Head of Housing Services. Until this appointment the Association has engaged a temporary Housing Manager, Anne Miles, who started on 22 January 2024 and will be in the post for approximately 3 months.

S Macintyre advised that the director services provided to Abronhill Housing Association will cease on 9 February 2024.

Real Living Wage and Fair Work Practices

S Macintyre informed Committee that the Association is a Real Living wage employer and has been affiliated with the Real Living Wage Foundation since 2013.

S Macintyre also presented Committee with the Fair Work Practices statement, this was drawn up by EVH and Unite in 2023. Committee were asked to note and discuss the contents of this statement before agreeing to support the statement. Following discussion, Committee members agreed that this statement represented values that are held by the Association and therefore gave its approval for the Chairperson to sign the statement on behalf of the Association.

A query was raised as to how much the cleaning company we contract with pays the employee who cleans our office premises. Staff will seek reassurance that he is paid the Real Living Wage

4ii. Internal Audit Report

S McCready of Wylie & Bisset attended the meeting to present the internal audit report for 2023/24. Committee noted the content. A draft audit plan for the year 2024/25 was also presented to Committee. It was noted that this gave appropriate coverage across a range of activities and Committee approved the draft internal audit plan for the year 2024/25.

5. Finance Report

Management Accounts to 31 December 2023

P Long presented Committee with the Management Accounts up to 31 December 2023 and highlighted the following: -

Statement of Comprehensive Income

The Committee noted that the Association has made an operating surplus of £789,000 for the period to 31 December 2023. This is higher than the budgeted surplus of £695,000 which is mainly due to lower maintenance costs at this stage offset by higher staff costs.

Net interest payments of £577,000 reduce the surplus to £212,000 for the year to date compared to a budgeted surplus of £149,000.

P Long advised the Committee that it is expected that at 31 March 2024 there will be a net surplus of £228,000 compared to the budgeted surplus for the year of £339,000.

Statement of Financial Position

The Committee noted that housing capital expenditure in the year amounts to £95,000 and that the net cost of housing assets at December 2023 is £23.31m with the net cost of other fixed assets at £917,000.

Cash balances at December 2023 total £2.097m which is higher than the budgeted amount of £1.86m. He added that the forecasted cash balance for March 2024 is now £5.538m and this is higher than the original budget mainly due to receiving the grant income for the new development at Fauldhead Road.

Long term creditors are £11.6m and this includes the Scottish Government loan of £680,000. The pension fund valuation is £-69,000 at this stage and the value of Deferred Income sits at £11.44m.

P Long advised therefore that the Association's net assets at December 2023 amounted to £2.838m.

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 2023.

Draft Budget 2024/25

P Long presented the Draft Budget for 2024/25 to the Committee for approval.

Statement of Comprehensive Income

P Long explained that a rent increase of 6.6% has been assumed for this year. This will generate a total rental income of £4.501m for the year.

Revenue grants of £45,000 are assumed via stage 3 adaptations. Capital grants amortised in the year will total £424,900.

Other income of £14,400 will be received for Welfare Rights services which are provided to other RSLs.

Total turnover for the year will be £4.985m

Staff costs include an assumed 5% pay award on top of any increments which will mean the total staff costs for the year will amount to £1.091m. The cost of indirect staff costs i.e., financial services will be £36,000.

Reactive and Cyclical Maintenance costs for the year will amount to £544,800. Overheads will amount to £331,000.

Total operating costs will be just over £3.901m. The Association will therefore have an operating surplus of £1.084m in the year

P Long confirmed that there will be a projected net surplus of £297,000 at March 2025.

Statement of Financial Position

It was noted that capital expenditure in the year will amount to £456,500. The total cost of housing assets after depreciation will be £29.67m. The Association's closing cash balance at March 2024 will be £2.312m this will increase to 2.478m by March 2025.

The value of debtors and short-term creditors will take the value of working capital to £1.8m.

Long Term Liabilities

Long term liabilities will total £13.4m and will include the amount due to the Royal Bank of Scotland after one year £13.104 and the amount repayable to the Scottish Government £340,000. In addition the value of the pension liability will be £69,000

Net Assets/Reserves

The net assets of the Association will be £3.15m at March 2025 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.

New Development

The New development at Fauldhead road is due to commence in March 2024 and will be completed in March 2025 providing 41 new properties. This will cost a total of £7.27m with the Association is looking to borrow an additional £2.49m from RBS.

Following discussion Committee approved the draft budget for 2024/25. In the event of any changes a Final Budget will be presented to the Committee at the March meeting.

Proposed Loan Restructuring

P Long advised Committee that the Association is seeking additional funding from RBS to help with the new development at Fauldhead Road. P Long advised that the total additional funding the Association is looking for is £2.49m. RBS have suggested that they would be willing to provide the extra funding with several different options being discussed including the restructuring of the Association's loan agreements with RBS.

There were suggestions from Committee that the Association should consider also looking elsewhere at other providers rather than just sticking with RBS. P Long replied by explaining some advantages of remaining with RBS including, the long and well established relationship between the Association and RBS, differing lender requirements and covenants, the possible need for extra security, and additional legal and valuation costs. Following discussion, it was agreed that the Association look at other options for additional funding before going ahead. S Macintyre agreed to update Committee accordingly.

6i. Investment Priorities Survey

C McKiernan presented Committee with the results of the tenants' investment priorities survey, conducted in late 2023. The results clearly showed that tenants' main priorities are a fast and high quality repairs service as well as ongoing investment in upgrading homes with new kitchens and bathrooms etc. C McKiernan advised Committee that a focus group is now being arranged to explore these issues further with interested tenants. Committee were asked to note the contents of this report and the results of the survey.

6ii. Rent Review 2024/25

C McKiernan presented Committee with the rent review report for the year 2024/2025. Committee were asked to note and discuss the contents of the report before agreeing on the proposed figure. Committee were reminded that tenants were consulted on a proposed increase of 6.6% and tenants' responses were included within the report. The Association received just over 70 responses with tenants split down the middle agreeing or disagreeing with the proposed amount. Committee noted that where tenants had raised individual concerns relating to their property or tenancy, appropriate staff were following up with them individually. After considering the responses from tenants to the consultation and following some discussion Committee approved a rent increase of 6.6% for the year 2024/25.

6iii. Charges for Leased Accommodation

C McKiernan presented Committee with the above report with a proposal to review the charging regime for accommodation leased to third party bodies. At present we lease a number of properties to East Dunbartonshire Council for use as temporary accommodation. We also lease a couple of properties to charities who are supporting particular groups into tenancies. The proposal contains a methodology to charge a rent that is above the rate we would charge direct to a social rented tenant but well below the Local Housing Allowance rate. The proposed charging regime would apply to new leases only. Following some discussion, Committee approved the revised charging structure for any new leased accommodation.

7. Erection of Telecommunications Mast at Friars Croft

S Tait informed Committee of works that were being carried out in Friars Croft to erect a telecommunications mast and associated equipment. The works which were being carried out were a surprise to the Association as no communication had been made by the contractor Clarke Telecoms to inform us of the works taking place. On investigation by the Association it was discovered that East Dunbartonshire Council had mistaken the land for theirs and had granted permission to the contractor to carry out the works. Following contact with Clarke Telecoms the works were halted until the Association could come to an agreement with them regarding the land in question.

S Tait advised that, given the progression of the works and the relatively low value of the land in question, the Association's Solicitors and Clarke Telecoms have come to an agreement for a 20-year lease to be set up where the Association would receive £1000 per year. Committee are asked to delegate authority to staff to enter the lease agreement subject to clearance from RBS as they have security over the land. Following some discussion Committee approved delegated authority to staff to enter the lease agreement.

7ii. Development Report

S Macintyre and S Tait presented Committee with an updated development report on the Fauldhead Road development. The purpose of this report is to provide Committee with an update on the decisions that were made at the Office Bearers meeting on 17 January 2024 and for Committee to confirm these. S Macintyre summarised the key decisions that were made with regards to funding the gap of £183,000 and accepting a minor reduction in kitchen specifications. Committee were also asked to give delegated authority to the Director to allow him to sign off on the offer of Government grant on their behalf. This was agreed.

P O'Connell queried the contract sum costs and developer costs. S Tait explained that contractor costs related to the costs related to the unit construction and excluded the developer and acquisition costs.

Following some discussion Committee noted the contents of the development report and approved the decisions taken at the Office Bearers meeting.

8. Performance Report

J Jamieson proposed that, due to the meeting having over-run, the Q3 performance report would not be presented in full, rather that members should raise any questions. S Niven noted that arrears had gone up slightly. C McKiernan advised that there was usually an increase in arrears at Christmas and that this position tended to recover during Q4.

9. Date of Next Meeting

Wednesday 6 March 2024

Minutes prepared by K Tait, Corporate Services Assistant

Chairperson's Signature:

Date: 09/02/2024

Copies of the above reports are available on request.