

MINUTES OF MEETING OF THE MANAGEMENT COMMITTEE HELD ON TUESDAY 02
FEBRUARY 2021 AT 6.30 P.M. VIA A VIDEO CONFERENCING LINK.

ACTION

Present:

Mrs K. Tennant	Chairperson	Elected Member
Ms C. McGarrity	Vice Chairperson	Filled casual vacancy
Mr J. Hillhouse	Treasurer	Elected Member
Mrs L. Breeze		Elected Member
Mr J. Calderwood		Elected Member
Mr J. O'Donnell		Elected Member
Ms K. Brown		Elected Member
Cllr M. McNair		Co-opted Member
Cllr J. Mooney		Co-opted Member

In Attendance:

Mrs S. Keenan	Chief Executive
Mr J. Farrell	Head of Housing Services
Mrs L. Lees	Head of Finance & Corporate Services
Mrs S. Farrell	Communications Officer
	Arneil Johnstone

1. Apologies

Apologies were received from Ms D. Smith and Mr P. Shiach. It was noted that a quorum was present to enable the meeting to go ahead.

2. Chairperson's Remarks

The Chairperson welcomed everyone to the meeting and thanked them for their attendance.

3. Declaration of Interest

Councillor McNair declared an interest in Items 18 and 20. It was therefore noted that Cllr McNair would briefly leave the meeting during the items.

4. Business Carried Over from Last Meeting

There was no business carried over from the previous meeting.

5. Management Committee External Training/Conference Feedback (if applicable)

There were no feedback reports from members.

6. Options Appraisal Final Report*

The Chairperson introduced [REDACTED] Arneil Johnstone, [REDACTED] who was tasked with assisting with the Options Appraisal process. [REDACTED] referred to the above report circulated prior to the meeting and recapped on the previous meetings and actions towards preparing the final report. [REDACTED] talked over some of the highlights of the report as the Chief Executive shared the report to the screen for members and the following was noted:

- The requirement of the Scottish Housing Regulator that an options appraisal should be undertaken in light of the departure of the Chief Executive, however, it is good practice, as embarking on quite a

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<u>ACTION</u>	<p>significant change and provides a chance to pause, draw breath, assess if there issues to be addressed and if the Association is operating in the most efficient/effective way</p> <ul style="list-style-type: none"> • There were no issues evident or to give cause for concern with any of the elements including the review of governance, staffing, rent and value for money and financial viability, where assumptions seemed prudent and debt levels lower than sector averages • The 4 options being assessed and the pros and cons of each <p>██████████ commented that it was evident during the process that the Management Committee had great knowledge and commended the Association's tremendous efforts and clear leadership in being able to provide the information to get confidence/assurance so quickly. She wished the Association well for matching the calibre of incoming applicant with the outgoing Chief Executive. In conclusion, ██████████ stated that Option 1, the Status Quo, was clearly the option that prevailed and on the basis of the review, that would be their recommendation.</p> <p>██████████ invited questions. There were none. The Management Committee thanked Arneil Johnstone for completing the appraisal so quickly and within timescales.</p> <p>The Management Committee unanimously accepted the findings of the report and agreed with the recommendation to proceed with Option 1, to remain as an independent organisation. The Chief Executive thanked the Management Committee for their input and commitment to the process. The Management Committee requested that the Chief Executive should submit the report promptly to the Scottish Housing Regulator in order that the recruitment process could commence as soon as possible following their response.</p> <p>██████████ left the meeting at this point.</p>
SK	<p>7. Secretary's Report The Chairperson provided the following report:</p> <p>a) Correspondence No correspondence was received.</p> <p>b) Share Membership Applications No Share Membership applications were received.</p> <p>c) MC Membership Applications No Management Committee applications were received.</p> <p>d) Shareholder Approval of SFHA Charitable Model Rules (Scotland) 2020 – update registration The Chief Executive confirmed that the process for adopting the new rules is now complete, with the Scottish Housing Regulator, FCA and</p>

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	<p>OSCR all having responded, acknowledged and consented to the new Rules.</p>
	<p>8. Approval of Minutes & Actions Notes</p> <p>a) Management Committee – 15 Dec-20* (For approval)</p> <p>There were no errors or omissions noted and the Minute was proposed by Mr Calderwood, seconded by Mr O'Donnell and unanimously approved by the Management Committee. Progress against action notes from the meeting were also noted.</p> <p>b) Special Management Committee – 12 Jan-21* (For approval)</p> <p>There were no errors or omissions noted and the Minute was proposed by Mrs Tennant, seconded by Mr Calderwood and unanimously approved by the Management Committee.</p> <p>c) Housing Services S-C – 19 Jan-21* (For approval)</p> <p>There were no errors or omissions noted and the Minute was proposed by Mr O'Donnell, seconded by Cllr McNair and unanimously approved by the Management Committee.</p>
	<p>9. Business Arising From Minutes</p> <p>There was no business arising from the minutes.</p>
	<p>10. Ratification of all Minutes (Approval Required)</p> <p>Ratification of all Minutes was proposed by Mr O'Donnell, seconded by Mr Calderwood and unanimously approved by the Management Committee.</p>
	<p>11. Emergency decisions since last meeting* (For information)</p> <p>The Chief Executive referred to the above report which was circulated prior to the meeting and the Management Committee noted the 3 decisions which had been approved by members since the December meeting in relation to the following:</p> <ul style="list-style-type: none"> • Decision 1 – Proposed charitable donation request (approval by 10 members) • Decision 2 – Options appraisal process (approval by 10 members) • Decision 3 – Continuation of temporary staffing arrangements (approval by 11 members) <p>It was noted the report was for information only.</p> <p>The Head of Housing Services joined the meeting at this point.</p>
	<p>12. Rent Policy Review 2021/22* (Decision required)</p> <p>The Head of Housing Services directed the Management Committee to the above report circulated prior to the meeting and read over the various methods of consultation undertaken during the rent setting progress, as detailed on page 5.</p>

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<u>ACTION</u>	<p>The Management Committee noted the options presented during the consultation as noted in the Policy and that the preferred option of the 98 tenants/sharing owners who responded was Option 1 - rent increase of 0.7% with existing services with 76% choosing this option. It was noted that number of responses had fallen from 14% in the last 2 years.</p>
JF/LL	<p>The Head of Housing Services confirmed that 64 of the 78 who had responded regarding whether they felt their rent was value for money had stated, Yes, it was (82%) and this is going to be explored more.</p>
	<p>The Management Committee were directed to a new table on page 8 giving details of what some other Associations and the Council are preparing to do in relation to their rent increases. The Head of Housing Services stated it could be demonstrated that Option 1 (0.7%) compares favourably with these local proposals.</p>
	<p>At 5. Viability & Affordability, where predicted deficits and surpluses were detailed, based on figures to 31 December 2020, the Management Committee noted that Option 1 (0.7%) was the first option where the figures showed a positive contribution.</p>
	<p>The Head of Housing Services directed the Management Committee to the updated rent affordability comparisons generated using the SFHA's Rent Affordability Tool on pages 20-29. On the basis of the consultation results, the Head of Housing Services had added a rent increase of 0.7% to all properties and, whilst not required, Council Tax costs (Band B) were also added. The Management Committee noted that all property types were a pass (<30% of household income) and particularly highlighted the Graham Avenue 2 apartment, single person illustration, our highest proportionate rent, passed at 25.5% which was a better pass than last year (29.7%).</p>
	<p>The Management Committee was then directed to the table of Previous Years Rent Increases (page 19) and noted that the Option 1 figure of 0.7% was lower than the RPI of 1.2% and therefore would be the 6th time that a lower than inflation increase had been applied in the last 9 years.</p>
	<p>The Head of Housing Services recommended adopting Option 1, 0.7%, for the financial year 2021/2022 and invited questions. The Management Committee was concerned that it did not generate a greater surplus (£93). The Head of Housing Services and Head of Finance & Corporate Services reassured the Management Committee that although tight, there had been a lot of work involved in firming up the budget with sufficient contingency also built in.</p>
	<p>Following further discussion, the Management Committee unanimously agreed the recommendation of a 0.7% rent increase for 2021/2022.</p>

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13. Service Charge Policy Review 2021/22* (Decision required)

The Head of Housing Services referred to the above report circulated prior to the meeting.

The Management Committee noted that the draft, which had been agreed in principle in November 2020, had remained unchanged and demonstrated that no tenant would pay more than £14.96 per month for services they receive, unchanged from the previous year (2020/2021: £14.96). The Management Committee was satisfied the service charges represented value for money and unanimously approved the Policy as presented.

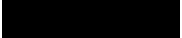
The Communications Officer and Head of Housing Services left the meeting at this point.

14. Staffing Report – Confidential* (Decision Required)

The Chief Executive referred the Management Committee to the above confidential report circulated prior to the meeting and confirmed the purpose of the report is to review and consider the recommendations in relation to staffing resources. The contents of the report were noted and after discussion, the Management Committee approved the recommendations therein.

The Management Committee were delighted to report the successful attainment of Investors in Young People Gold re-accreditation.

The Communications Officer returned to the meeting at this point.

 declared an interest in the following Item and did not partake in discussions.

15. Factoring Management Fee Review 2021/22* (Decision required)

The Head of Finance & Corporate Services referred to the above report circulated prior to the meeting and explained that this fee was applicable to all owners in the full factoring service.

The following points were highlighted:

- The fee is based on the estimated amount of staff time and projected and accurately apportioned direct costs to provide the service as detailed within the report, on a not-for-profit basis so that tenants are not subsidising the service
- The Association exceeds the average factoring satisfaction levels of RSLs used in the Thematic Study (64%) at just over 90% (March 2020). The quality newsletter information and promotion of Factoring Policy review over the Summer was noted
- A 0.84% increase was proposed, increasing the management charge by £1 to £120 per annum (2020/2021: £119)
- The proposed increase is well within the Association's target to restrict increase to no more than inflation (December) + 1% (2.20%)

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Based on the information provided within the report, the Management Committee unanimously agreed a Management Fee increase of 0.84% to £120.00 for 2021/2022.

16. Draft CHA Budget 2021/22* (Decision required)

The Head of Finance & Corporate Services referred the Management Committee to the above document, which had been circulated prior to the meeting and commented that all section heads and budget holders had worked collectively to bring a tight budget whilst ensuring the needs of the Association are met.

The Head of Finance & Corporate Services highlighted the information contained in the Executive Summary and then referred the Management Committee to the **Management Expenses** on page 3 and the following was noted:

- At **Staff Remuneration**, all of the staffing requirements for the year have been incorporated including an estimated salary increase of 1.5% which has yet to be confirmed. It was noted the expected increase in costs is c. £143k but is within the target of no more than 25% of the overall budget cost on remuneration
- At **Post/Stationery/Printing**, significant savings had been realised due the efficiencies of homeworking and Homemaster, at £9k
- At **Computer Costs** it was noted an increase in budget of c. £34k to take into account the new housing system and annual subscription charge of [REDACTED] and increased digitalisation charges. It was noted that the new housing system would bring efficiencies in other areas to offset the cost
- At **General Expenses**, an increase of c. £8.5k was noted, to take into account changes including additional PPE and additional cleaning
- Although **Management Expenses** had increased to c. £1.67m overall, it was confirmed that all figures are agreed through budgets, financial plans etc.
- In the **Income & Expenditure Accounts**, total rental income of c. £4.2m is expected, incorporating the 0.7% increase, and rental voids and bad debts have been adjusted up to a prudent 6%
- Spend on **major repairs** of c. £3.3m is expected in the year which is fully backed by financial plans and life cycle costing and plans are underway to commence works in April, subject to lockdown restrictions easing. It was noted Appendix 1 provides a full analysis
- A **total expenditure** for the year of £4.1m was noted
- Annual **property purchases** of £100k remained
- A prudent estimation of bank interest receivable of £21k had been predicted
- The projected **surplus** for the year of c. £958k was noted
- At the **Non-Housing Account** all other activities were noted such as development, factoring and Centre81 and their expected deficit/surplus. It was noted the costs for Centre81 were expected to

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remain the same with the potential for savings due to revised staffing. The Head of Finance and Corporate Services confirmed that any deficit is plumbed into long term financial plans and rent setting processes

The Head of Finance and Corporate Services concluded by highlighting all appendices and by assuring the Management Committee of healthy current assets of c. £7.8m and total assets of c. £23.3m and that all costs are incorporated into both 5 year and 30 year plans.

Following discussion, the Draft CHA Budget 2021/2022 was unanimously agreed by the Management Committee.

17. Draft CHA Power Budget and proposed price increase 2021/22* (Decision required)

The Head of Finance & Corporate Services referred to the above report circulated prior to the meeting and confirmed she was again proposing a price freeze at £11.38 + VAT per week based on savings in gas costs and effective generators.

The Head of Finance & Corporate Services referred to the Budget for 2021/2022 and the following was highlighted:

- £45k for electricity sales was prudent to cover costs
- Income from heat and hot water has increased with less disconnections. It was noted that the Tenancy Sustainment Officer had already put some payment plans in place and was securing fuel vouchers for electricity charges
- Expenditure and overheads remains fairly static with generator maintenance increased based on existing spend
- The gas framework has realised savings and with continual monitoring of recovery of income, costs will be able to be kept stable
- An operating surplus of £22k is expected with £3k surplus after tax liability and £15k set aside for future enhancements, expansions and repairs
- A very strong balance sheet with £431k expected to be in the bank at the year end




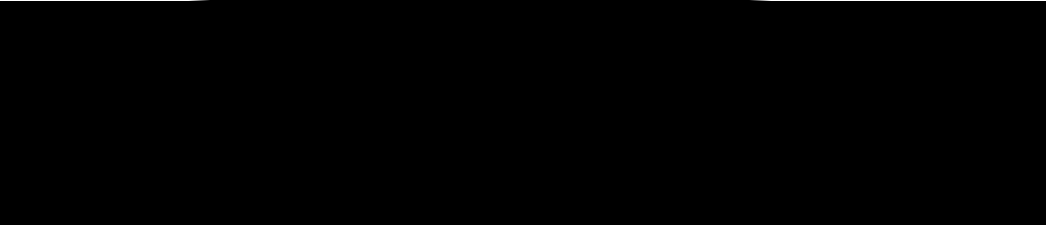
The Draft CHA Power Budget 2020/2021 was unanimously agreed by the Management Committee.

The Head of Finance and Corporate Services left the meeting at this point.

Councillor McNair declared an interest in Item 20 and briefly left the meeting during the item.

18. Development Report* (For information)

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SK/SF	<p>The Chief Executive referred to the above report circulated prior to the meeting. The Management Committee noted the updates provided in relation to our current and proposed developments. The Chief Executive confirmed there was no progress to report under General, Queens Quay or Dumbarton Road and moved to the updates/decisions required within the following items:</p> <p>d) Former St. Cuthbert's Church – Linnvale (24 units) Community consultation – the dedicated newsletter is in progress and will be issued before demolition commences mid to end of February. </p> <p>e) Proposed Clydebank Bowling Green development – Design and Build (Decision Required) Legal - The Chief Executive discussed the information contained within the report and highlighted the initial option to return the site to the   </p>
SK/LL	<p>The Management Committee was referred to the presentation on screen by MAST Architects regarding the development, circulated prior to the meeting. The Chief Executive confirmed that the developer is taking the full financial risk of the proposal being presented to the planning department at this stage.</p>
SK	<p>The Management Committee noted the design and the generous property proportions in line with the Graham Avenue development. It was noted it would be confirmed that the cladding conforms to all current building standards.</p> <p>The Management Committee was referred to the brick samples. The Chief Executive discussed staff preferences in terms of ongoing maintenance and weathering. After discussion, the Management Committee unanimously chose the 'Fumosa Grey, White, Black' option.</p> <p>The Chief Executive asked if the Management Committee was happy to continue proceeding with the development based on the information contained within the report. The Management Committee confirmed it was.</p> <p>The Chief Executive highlighted the content of all Appendices for information.</p> <p>The Management Committee noted the risk register detailed in Appendix 4 and that one risk had been added (Item 5e).</p>

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<u>ACTION</u>	<p>The Chief Executive welcomed questions on the report. There were none and the content of the report was noted.</p> <p>Councillor McNair returned to the meeting at this point.</p> <p>19. Cart Street - verbal update For information/Confidential</p> <p>[REDACTED]</p> <p>The Chief Executive confirmed she would update the Management Committee as soon as any further information was received.</p> <p>Councillor McNair declared an interest in Item 20 and briefly left the meeting during the item.</p> <p>20. Maintenance Report* (Decision Required)</p> <p>The Chief Executive referred the Management Committee to the Acting Housing Services Manager's report circulated prior to the meeting.</p> <p>a) First Time Central Heating – Dumbarton Road</p> <p>The Chief Executive referred the Management Committee to the lengthy report on the above.</p> <p>The Management Committee noted the 3 options being presented for moving forward.</p> <p>Based on the detailed Project Costs, Project Costs including Cyclical Maintenance for 15 years, Fuel Poverty and Tenancy Sustainment information and particularly the Advantages and Disadvantages of each option, the Management Committee unanimously agreed with the recommendation to pursue an expansion of the district network based on a minimum funding allocation of not lower than 40%.</p> <p>The Chief Executive highlighted that the annual charge of the DHN will not be payable by tenants but by the Association and that we would be negotiating the cost as the Association's annual cost for gas central heating system maintenance was [REDACTED] but their annual fee was [REDACTED].</p> <p>At this juncture, the Management Committee unanimously suspended standing orders which would allow the meeting to continue until 9.00pm.</p> <p>Councillor McNair returned to the meeting at this point.</p> <p>21. Reports for Quarter to 31 Dec 2020*</p> <p>a) Complaints*</p> <p>The Communications Officer referred to the report which was issued prior to the meeting and highlighted that the report detailed the outcome of 14 complaints received from 01 October – 31 December 2020.</p>
JD	
SF	

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The Management Committee noted that all 14 complaints had been responded to at first stage and the service improvements put in place following 11 of them (79%) which were upheld.

The Communications Officer highlighted the breakdown in categories detailed in the report and then referred to the new trends and themes section, an improvement following the adoption of the new Model Complaints Handling Procedures in December. The Management Committee noted the trend identified in the quarter regarding contractor attitude on 3 of the 11 upheld occasions (and of 5 regarding maintenance) and wished it to be noted that it is absolutely unacceptable for contractors to be disrespectful/discourteous to tenants and that swift action by the Association is important. The Communications Officer agreed and it was hoped the actions to address the trend listed would show an improvement in this regard.

The Management Committee noted that complaints reports are circulated to Senior Staff and discussed at departmental and full staff meetings, to make sure improvements noted are put in place.

b) Compliments*

The Communications Officer referred to the above report which was circulated prior to the meeting detailing 13 compliments received in the quarter. The Communications Officer confirmed that all compliments are passed on to the relevant staff/contractor.

22. Customer Consultation/Communications Update*

The Communications Officer referred to the above report circulated prior to the meeting and welcomed questions or improvements.

The Management Committee noted the updates provided within the report which help us meet the Customer/Landlord Relationship outcomes of the Scottish Social Housing Charter and Tenant Participation legislation.

The Communications Officer stated that it was a very full report which demonstrates that, despite lockdown, there is a significant amount of consultation/communications activity being undertaken and highlighted the following:

- The Business Plan target for consultations/focus groups for the year (5) had already been exceeded at 6
- The actions which had been agreed in order to promote/encourage engagement in the Tenant Panel
- A potential new Linnvale tenants/residents association
- The development of a long-awaited Contractor's Newsletter, which will reaffirm core values, detail complaints and compliment and share good news such as apprentices and community benefits, is slightly delayed to incorporate further staff feedback

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SF	<p>The Management Committee also referred to the Communications Strategy Action Plan appended to show the Management Committee progress against the delivery of the Strategy.</p> <p>The Management Committee enquired as to the frequency of the Contractor's newsletter and the Communications Officer confirmed that as a new publication, it is not set in stone but would likely be 6-monthly this year, then perhaps annual thereafter. The Communications Officer will ensure the Management Committee sees a copy when completed.</p>
SF	<p>23. Centre81 Report* The Chief Executive referred to the Centre81 Co-ordinator's report on the above circulated prior to the meeting and confirmed it is for information only and the Centre remains closed until further notice.</p> <p>The Chief Executive confirmed that since the report was issued the Association had been successful in securing a further c. £41k for community support including food distribution and overheads.</p> <p>The Chief Executive also highlighted that the CCF fund had responded to a recent monitoring report with complimentary feedback of how the Centre81 team has managed to adapt and continue the delivery of services during this time. The Management Committee asked that their thanks to the team are also passed on.</p> <p>The Chief Executive invited questions. There were none and the report was noted by the Management Committee.</p> <p>24. Health and Safety Report including Risk* (For information) The Chief Executive referred to the Acting Housing Services Manager's detailed report circulated prior to the meeting and confirmed it was for information only. The Management Committee noted the contents of the report.</p> <p>25. Health and Safety Compliance Report* (For information) The Chief Executive referred to the Acting Housing Service Manager's report, circulated prior to the on the above covering all 6 key areas of Landlord Health and Safety compliance - fire safety, asbestos management, water systems management, electrical safety, gas safety and lift safety. The Management Committee noted the summary as at 02 February 2021.</p> <p>26. Focus on Governance/Risk (For information) a) Self-Assurance Action Plan 2020 - Jan Update* The Chief Executive referred to the above report circulated prior to the meeting and the Management Committee noted the completed areas has been coloured grey to allow the outstanding items to be seen more clearly. The Management Committee noted the updated report.</p>

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<u>ACTION</u>	<p>b) Notifiable Events Register*</p> <p>The Chief Executive referred to the above report circulated prior to the meeting and the Management Committee noted that no new Notifiable Events had been added.</p> <p>The Chief Executive invited questions. There were none and the report was noted.</p> <p>27. Intranet</p> <p>The Chief Executive reminded the Management Committee to regularly visit the internal Intranet, which includes news, meeting papers, updated Policies and Procedures and Covid-19 tab to allow important information to be accessible from one central point.</p> <p>28. Signing of Minutes</p> <p>The Management Committee acknowledged that the signing of minutes would take place when safe to do so.</p> <p>29. Other Business (Decision required)</p> <p>At this point, the Chairperson permitted the Chief Executive to raise an issue not noted on the agenda. The Chief Executive explained that the external IT support contract for the Association was due to end at the end of March but that would overlap with the return and review of tenders for the new contract. As such, the Chief Executive asked to be permitted to extend the current contract for 5/6 weeks until this process was complete. The Management Committee unanimously agreed. The Chief Executive asked the Management Committee if they would be satisfied with a 40/60 price/quality split for reviewing the tenders received. The Management Committee unanimously agreed.</p> <p>30. Date and Time of Next Meeting/Training Session</p> <p>As per the schedule.</p> <p><u>Meeting closed.</u></p> <p>Checked by: _____</p> <p>Date: _____</p> <p>APPROVED</p> <p>PROPOSED</p> <p>SECONDED</p> <p>SK/SF</p> <p>* Indicates report issued with agenda</p>
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SK