

Minutes of the Management Board meeting held on Tuesday 20 September 2022 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP. Hybrid meeting using ZOOM Video Communications.

Present: David O'Hara (Chair)
Josephine Barnshaw
Joan McFarlane
Helen Eakin
Elspeth Kerr
David Riddell
Vincent Ogar
Margaret Bowie

In attendance: Pauline Burke, Director
Marisa McCarthy, Senior Housing Officer
Anne E Smith Corporate Services/Finance Officer (minute taker)
David Ampofo, FMD Consultant

Prior to the start of the meeting, D O'Hara welcomed A Smith, Corporate Services and Finance Officer to Drumchapel Housing Co-operative.

1. Apologies

1.1 K Watt, K Nubor and J Frame were absent without apologies from the meeting.

2. Declaration of interest

2.1 There were no declarations of interest.

3(i) Minute of the previous meeting

3(ii) The minute of the meeting held on 9 August 2022 were proposed by J McFarlane and seconded by D Riddell

3(iii) The minute of the meeting held on 25 August 2022 (election meeting) was proposed by J Barnshaw and seconded by J McFarlane

3.1 Meeting Action List

- 3.1.1 P Burke presented the meeting action list for 2022/23 and advised members that the outstanding item in relation the rollover of the 1 Year Fixed Interest deposit with Shawbrook had been submitted and paperwork completed
- 3.1.2 Members approved the meeting action list for 2022/23.

4. Matters arising

- 4.1 No matters arising were noted.

5. Director's Report

5.1 Management accounts to 30 June 2022

- 5.1.1 D Ampofo of FMD Financial Services presented to the Board the Management Accounts for the period to 30 June 2022.
- 5.1.2 The total comprehensive income (surplus) for the year to 30 June 2022 was £167,664 v budgeted surplus of £87,766 resulting in a favourable variance of £79,898.
- 5.1.3 Gross rents were very much in line with budget, and this should ordinarily be the case.
- 5.1.4 Actual voids rate of 0.19% were less than the budgeted rate of 0.75% meaning that void periods - which is a loss of cash to the Co-operative - are being minimised.
- 5.1.5 Miscellaneous Income is almost £nil and has therefore resulted in an unfavourable variance of £7.5k. Minimal works were carried out in quarter 1 in medical adaptations therefore no claims were made. It is anticipated that as the year progresses actual income received will be more in line with budget.
- 5.1.6 Total Turnover was £651,449 which is in line with the budget of £655,806.
- 5.1.7 Total Operating expenditure is £471,038 – a positive underspend of £85,036. Mainly due to 4 areas: housing management, maintenance, employee costs and consultancy costs.
- 5.1.4 Estate Costs-Housing Management are under budget mainly due to there being no bad debt (rent arrears) costs being written off to expenditure in quarter 1.

- 5.1.5 Estate Costs-Housing Maintenance are under budget mainly due to timing of Cyclical & Planned Major repair works and the positive variance of £32k should reverse as works progress over the next quarters. D Ampofo advised that the Maintenance underspend was partly offset by reactive repairs overspend of £7.4k which relates to necessary electrical repair works.
- 5.1.6 Employee Costs are under budget by £19.3k mainly due to lower actual salary increases than previously estimated in the budget, staff vacancies and minimum staff training.
- 5.1.7 Consultancy costs underspend of £14.3k due to timing of works which will progress in the year.
- 5.1.6 The Board were advised that there had been an increase in current assets in the first quarter primarily due to an increase in cash which is partly a result of the underspends detailed.
- 5.1.7 KPIs were touched upon, and the board were advised that the covenants have been met.
- 5.1.8 The Co-operative's financial position remains robust and the quarter 1 performance is solid however this is in the context of now moving into the headwinds of the cost of living crisis, rising inflation, rising interest rates and external shocks to the UK economy such as the war in Ukraine. Also, the impact of the recent Scottish Government rent freeze could have adverse implications for the Co-operative and the wider sector.
- 5.1.9 The Board approved the Management Accounts to 30 June 2022.

5.2 Loan report - Nationwide

- 5.2.1 D Ampofo presented the report to the Board and asked them to note the contents.
- 5.2.2 The Board were informed that on contacting Nationwide to repay loans 626197, 585321, 626208 & 585398 as agreed previously by Board, Nationwide advised they were seeking clarity on the security on loan 62630. Currently there is an ongoing investigation by Nationwide into establishing security on this loan which still remains unresolved. Historical records are to be clarified by Nationwide and lawyers on behalf of the Co-operative have been consulted
- 5.2.3 After discussion it was agreed that should the results of the investigation be that there is no security held against loan 62630 then that loan should be paid off rather than the four loans previously agreed.

5.2.4 The Board gave delegated authority to the Director to repay the outstanding loan in question once the investigation was completed.

5.3 Office of the Scottish Charity Regulator (OSCR) return

5.3.1 D Ampofo presented the report to the Board and asked them to approve the submission to the charity regulator. The return is made annually and must be submitted by the year end, December 2022.

5.3.2 The Board approved the submission to OSCR.

Action J McGoran

5.4 Financial Conduct Authority return

5.4.1 D Ampofo presented the report to the Board and asked them to approve the submission to the Financial Conduct Authority. The return is made annually and must be submitted by October 2022.

5.4.2 Once considered, the Board approved submission to the FCA.

Action J McGoran

5.5 SHAPS Financial Assessment 2022

5.5.1 D Ampofo introduced the report to the Board and asked them to note the contents.

5.5.2 He advised that the annual return had been completed based on the final draft accounts and confirmed, once the KPI scores were assessed, the Co-operative remained in the low-risk category.

5.5.3 The Board noted the update.

5.6 Draft Business plan 2022-2026

5.6.1 P Burke presented the report on the Business Plan which was reviewed in line with discussion at the Strategy Away Day in June 2022.

5.6.2 Board approved the Draft Business Plan.

5.7 Draft Annual Assurance Statement (AAS) 2022

5.7.1 P Burke introduced the report to the Board.

- 5.7.2 The AAS is to be submitted to the Scottish Housing Regulator by the end of October each year. It was confirmed that there have been no changes to the statutory guidance by the SHR.
- 5.7.3 Before submission to the Regulator, P Burke asked for members to volunteer to join a short life working group to review the evidence bank and approve the draft AAS for 2022.
- 5.7.4 Board approved the setup of a short life working group and E Kerr, J McFarlane intimated they would like to take part.

Action P Burke

6. Housing and Technical Report

6.1 Draft Asset Management plan 2022-2024

- 6.1.1 P Burke presented the report to the Board
- 6.1.2 The Asset Management plan outlines how we manage and maintain our properties and environments to ensure the provision of good quality housing that meets the changing needs and aspirations of our tenants.
- 6.1.3 Board noted the contents and approved the Asset Management plan for 2022 – 2024.

6.2 Performance and Maintenance spend to 30 June 2022

- 6.2.1 P Burke presented the report to the Board and asked them to note the contents.
- 6.2.2 A table detailing the first quartile results against the KPI targets for 2022-23, and last year results which were reported in the Annual Return of the Charter.
- 6.2.3 Performance has improved in the first quarter with the exception to non-emergency repairs, which has been down to contractor labour supply issues. This issue is sector wide and not contained to the Co-operative or our contractors.
- 6.2.4 Maintenance expenditure was presented to Board and variations against budget were highlighted for each category.

6.2.5 Board noted the performance and maintenance spend update.

6.3 Planned and cyclical maintenance report

6.3.1 P Burke presented the report and updated the Board on progress for 2022/23 programme.

6.3.2 The Window surveys have taken place apart from one property where there is an access issue. Staff are trying all means to get access.

6.3.3 The Bathroom replacement programme is complete.

6.3.4 The Kitchen and Boiler programmes are complete.

6.3.5 Feedback from members has been extremely positive and the contractors have displayed excellent workmanship and professionalism.

6.3.6 The Facias and Soffits programme is ongoing awaiting revised costs from Consilium for the access issues identified.

6.3.7 The Painterwork cyclical programme is complete.

6.3.8 The Roof Anchor cyclical programme is ongoing due to remedial works identified during inspections. The contractor to report the outcome of their findings including costs in due course.

6.3.9 The Gutter Cleaning cyclical programme is complete for 2022/23.

6.3.10 The Open Space Maintenance cyclical programme is continuing to be monitored by the Clerk of Work and Senior Housing Officer to ensure the required standard of work is being carried out.

6.4 Growchapel Community Garden

6.4.1 M McCarthy presented the report to the Board.

6.4.2 Due to delays in GCC arranging Public Liability Insurance which is essential for staff and tenants to work at the site, and due lack of volunteers from tenants, it has been deemed necessary to end the lease with GCC for the allotment at Growchapel Community Garden.

6.4.3 Board approved the recommendation to end the lease.

6.5 Exceptions Report

6.5 M McCarthy presented the report to the Board for the period to 31 July 2022.

6.5.1 She highlighted the increase in the days to re-let voids which had increased to 16.22 days for the month of July. This can be attributed to a number of reasons including additional works required to properties e.g., properties which are left in poor condition requiring additional work and other factors including damage caused by water ingress.

6.5.2 E Kerr commented that this was a stark increase and quite a difference from pre-pandemic days. M McCarthy informed the Board contractors are faced with delays in obtaining materials and the increase in the number of days can mostly be put down to supply and demand.

6.5.3 Board noted the contents of the report.

7. Policy review

7.1 P Burke presented the revised draft Donation policy.

7.2 Board approved the Donation policy.

7.3 M McCarthy presented the revised draft Choice Based Lettings Allocation policy.

7.4 The policy was reviewed in August; consultation took place with tenants and applicants via a survey monkey questionnaire. The findings were mainly positive, and applicants preferred a choice-based lettings approach. The consultation feedback asked that we consider applicants health and disabilities when considering a move and that priority given to those who are experiencing overcrowding. M McCarthy advised that this is currently the case.

7.5 With regards to suspensions imposed due to applicants or household members who may have had a conviction, it was highlighted that a minimum suspension period of 3 years had been added to the policy.

7.6 Another update highlighted was in relation to parents who have access to children. Some applicants were confused around the size of house they were eligible for; it has now made clear within the policy what approach will be taken in this situation.

7.7 Board approved the Allocation policy.

8. Governance

8.1 Membership Report

8.1.1 Board approved 37 prospective members and 3 share certificates were signed and issued.

8.2 Ethical Conduct and Notifiable Events

8.2.1 There were no ethical conduct or notifiable events to report to the Board.

9. Audit, Risk and Staffing sub-Committee

9.1 There were no sub-Committee meetings to report

10. Any Other Competent Business

10.1 Temporary Senior Maintenance Officer

10.1.2 P Burke advised members, interviews for the Temporary Senior Maintenance Officer will be held on Thursday 28 September as advertised.

10.2 Approved Contractors List

10.2.1 P Burke informed Board that an approved contractor (Drumchapel Carpets and Flooring) had been omitted from our list of Approved Contractors for 2022/23. Board noted the omission and agreed for the contractor to be reinstated to the list.

10.3 Donation request

10.3.1 P Burke advised that they had received a letter from Drumchapel Asian forum for a donation for a community event they are hosting in Drumchapel Shopping Centre on Monday 17 October 2022.

10.3.2 After much debate, it was agreed that a total of £500 would be donated to this social event that tenants would be able to participate in.

10.4 GWSF Letter to the First Minister

10.4.1 P Burke advised a letter from David Bookbinder, from GWSF which was sent to the First Minister regarding her announcement of a possible rent freeze for the coming year. This letter was sent out to all members of the forum.

10.4.2 A copy of the letter will be forwarded onto the Board via email.

Action A Smith

11. Date of next meeting

11.1 The next Board meeting will take place on Tuesday 25 October 2022 at 6.00pm in the Boardroom at Drumchapel Housing Co-operative with a zoom video-conferencing option available.