

Minutes of the Management Board meeting held on Tuesday 1 December 2020 at 6.00pm using ZOOM Video Communications.

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**Present:** Joan McFarlane (Chair)  
Tiffany Harvey  
Helen Eakin  
Elspeth Kerr  
Margaret Bowie  
David Riddell  
Tanith Diggory  
Josephine Barnshaw  
David O'Hara – observer

**In attendance:** Pauline Burke, Interim Director  
Sharon Flynn, Temp. Depute Director  
Duncan McKnight, Technical Manager  
Jackie McGoran, Senior Finance Officer  
Stephen Watt, Corporate Services Assistant  
David Mills (RGDP) from 6.00-6.10pm  
Lorna Ravell (EVH) from 8.05pm

In light of the current coronavirus situation and Government guidelines, Board and staff agreed that the meeting would be via Zoom video communication.

## **1. Apologies**

- 1.1 Apologies were received from P McBride, and A Loen.
- 1.2 The Chair welcomed new Board Member J Barnshaw and observer D O'Hara to their first Board meeting. An extended welcome was also given to RGDP Data Protection Officer, D Mills.
- 1.3 The Chair advised the Board that there was one guest speaker at the meeting to cover item 5.6 and this item will be taken first. Agenda item 6.1 will also be brought forward for the purpose of this meeting.

## **2. Declaration of interest**

- 2.1 T Harvey declared an interest in Agenda item 3.
- 2.2 All staff declared an interest in Agenda item 9.2.

## **3. Minute of the previous meeting**

- 3.1 T Harvey left the meeting at 6.35pm. P Burke advised the Board that member T Harvey would be ending her tenancy and therefore needs to step down from the Board. It was proposed that an invitation be made to T Harvey to remain as a co-optee which the Board agreed for P Burke to take forward.

T Harvey returned to the meeting at 6.38pm

Board Member A Loen requested a special leave of absence for three months which was approved by the Board.

- 3.2 The minute of the meeting on 20 October was proposed by H Eakin and seconded by T Harvey. These minutes will be signed at the first available date due to Covid-19 restrictions.

**Action – S Watt**

## **4. Matters arising**

- 4.1 Item 7.2 S Watt updated Board on the Glasgow Care and Repair Service which is a chargeable service at approximately £1,500 to the Co-operative. Board agreed that as a similar service was already in place through the Estate Caretaker position this would not be taken forward at this time.
- 4.2 Item 10.1 S Watt updated the Board on G15 Buses and agreed to look at the proposal once G15 Buses had the service up and running.
- 4.3 Item 8.1.1 S Watt updated the Board on a name change of a new member that had been approved at the October meeting.
- 4.4 The anticipated request for donation from G15 Youth Project will be revisited at the January 2021 meeting following discussion at the DRUMCOG Senior Officers meeting.

## **5. Acting Director's report**

### **5.1 Management Accounts to September 2020**

5.1.1 J McGoran presented the Management accounts to 30 September 2020 providing the Co-operative's financial performance for the period. The total comprehensive income (surplus) for the year to date was £387,231 which is a positive variance of £220,106.

5.1.2 J McGoran highlighted the following:

- Most cost centres are showing underspends which is largely attributed to the impact of Covid-19 and subsequent lockdown restrictions which has impacted on service delivery/ programs. The exceptions being employee and IT costs for which explanations were given. Board were advised that actual spends will be more in line with budgets by year end assuming there are no further lockdown measures imposed.
- Liquid cash balances and working capital have increased during the period, primarily cash at bank which is a consequence of the delayed/postponed maintenance programs.
- Equity has increased over the period to £5,583,108, the main factor being the addition of the £387,231 surplus generated for the year to date.
- On the whole, KPI targets have been met, the exceptions being those noted in the written report, but these should align with targets by year end dependant upon programs being able to progress in light of covid with the exception of staff costs.

5.1.3 The Board were advised that loan covenant compliance was met for year to date.

5.1.4 J McGoran advised Board the Co-operative maintains a healthy and robust financial position, however due to the uncertainty surrounding the pandemic, the financial position of the Co-operative is monitored very closely for early signs of potential impacts on the Co-operative's financial health.

5.1.5 Questions were invited, and Board were asked to approve the Management accounts to 30 September 2020.

5.1.6 The Board approved the Management accounts to 30 September 2020.

## **5.2 Draft Budget 2021/2022**

- 5.2.1 J McGoran presented the draft budget for 2021/2022 which had been circulated in full with Board papers highlighting the budgets for the main cost centres and the impact on the main financial statements for the following year.
- 5.2.2 Board were advised that although based on budget provided, loan covenant compliance was met, it was critical that planned maintenance expenditure for 20/21 should not run into 21/22 as this would put stress on loan covenant compliance. Informal discussions had opened with the Co-operative's lenders, Nationwide, to see what options would be available should a significant amount of 20/21 designated expenditure runs into 21/22 due to lockdown restrictions. J McGoran updated the Board stating that Nationwide have advised they require further information to ensure the impact of doing so would mean the long-term cash position of the Co-operative would remain neutral. The Co-operative were in the process of collating this information for the lenders.
- 5.2.3 J McGoran advised Board Section 9 of the written report had previously been discussed by Depute Director at Agenda 6.1 Rent Review Consultation which had been brought forward to beginning of meeting, therefore no need to present and discuss as rent freeze for 21/22 had been agreed by Board.
- 5.2.4 Following discussion the Board noted the initial draft budget for 2021/2022. A final budget will be presented at the meeting on 26 January 2021 for approval.

## **5.3 Budget 2020/21 mid-year review report**

- 5.3.1 P Burke advised the Board that since approval of the Budget 2020/21 at the January Board meeting, there has been increased spend due to the impact of Covid19 over some budget headings. P Burke made recommendations for increasing the budget on 4 areas of Health and Safety, Estate Management, Legal Fees and Staff Salaries.
- 5.3.2 The Board noted the mid-year review and approved to the increased budgets in accordance with the budget headings highlighted in the Board paper.

## **5.4 Overnight rolling deposit – Bank of Scotland**

- 5.4.1 J McGoran referred to the Overnight Rolling Deposit (ORD) of £150k held with Bank of Scotland and advised that due to historically low interest rates the return on this deposit meant it was uneconomical to continue when factoring in staff time due to the administration involved. It was requested that the deposit be closed, and funds transferred back into the Co-operative's working capital.
- 5.4.2 The Board noted the update and approved the closing of the Bank of Scotland ORD with funds being transferred back to nominated account.

## **5.5 Risk Management mid-year review**

- 5.5.1 P Burke advised the Board of updates to risk ratings which had been agreed by Board in June. The Director advised Board on the review and provided details of the risks that remained and where a reduction in risk rating had taken place due to effective mitigations.
- 5.5.2 The Board noted the Risk Management mid-year review.

## **5.6 General Data Protection Regulations and Freedom of Information – progress**

- 5.6.1 This item was taken at the beginning of the meeting. An additional update was provided later in the meeting by S Flynn.
- 5.6.2 The Board were briefed by David Mills, RGDP with the background to GDPR and FOISA presented. The Board were given updates on the actions database, policies, and templates being used by the business. D Mills gave assurance that good compliance was in place.

D Mills left the meeting at 6.10pm.

- 5.6.3 S Flynn updated Board that four breaches have been reported by the Co-operative since May 2018, with none requiring escalation to the Information Commissioner's Office (ICO).
- 5.6.4 S Flynn advised that updated Fair Processing Notice (FPN) were attached with the Board papers which are used to explain how we handle personal information. Board were asked to approve these updated FPN for use on our website and in office.
- 5.6.5 S Flynn reported that three Freedom of Information (FOISA) requests have been received since November 2019, and no SAR requests recorded. All have been completed on time.

- 5.6.6 The Board noted progress to date and approved the FPN templates.

## **5.7 Management Team report**

- 5.7.1 The Senior team presented their report on the broader impact of Covid-19 on the Co-operative. As previously agreed, the default position remains that staff work from home with a review due at the Board meeting in January 2021.

- 5.7.2 The Scottish Government had placed Glasgow into Tier 4 restrictions on Friday 20 November 2020 which had resulted in a reduction on repairs and planned maintenance services.
- 5.7.3 Stuart Eglinton of SE Training has now completed the Board Appraisals and will provide a report at the January 2021 meeting.
- 5.7.4 The financial services tender process was completed with FMD Financial Consultants awarded the contract.
- 5.7.5 J McGoran advised that the Co-operative had received £17,057 in grant for furloughed staff through the Coronavirus Job Retention Scheme. This scheme has been extended to 31 March 2021 with 80% of employee salary claimable. There are no furloughed staff at present.
- 5.7.6 S Flynn advised Board of what constitutes essential service provision which included reletting of void properties. Board were updated on matters affecting rehousing of homeless people which had initially gone well with 8 referrals, but this has slowed down recently. S Flynn updated Board on an unsuccessful bid to Connecting Scotland for devices for tenants advising that further funding would be sought. Staff will attend a SHARE event on positive mental health in early December. S Flynn advised Board that policy reviews had been delayed to the new year and that a Board Working Group will be required to review the policies early in 2021.
- 5.7.7 The Board noted the Management Team report.

## **6. Temporary Depute Director's report**

### **6.1 Rent review – 2021/2022**

- 6.1.1 S Flynn presented the rent review consultation report. Board had requested that two options be considered to include October CPI and a rent freeze. The report highlighted the impacts of a CPI increase of 0.7% and rent freeze and would be considered at items 5.1. and 5.2.
- 6.1.2 Following considerable discussion, the Board agreed that the preferred option was a rent freeze and instructed the Depute Director to communicate this to tenants in the December newsletter.

## **6.2 Tenant Report Card**

- 6.2.1 S Flynn presented the Draft Annual Tenant Report Card for 2019-20 in text format and a printed version on screen. The report card had been prepared based on the SHR landlord report and in consultation with the Tenants Panel.
- 6.2.2 Board approved the Tenant Report Card for distribution to tenants and service users.

## **6.3 Maintenance spend to September 2020**

- 6.3.1 D McKnight presented a report on expenditure to 30 September 2020, highlighting variations. Positive variances across all categories primarily related to the impact of Covid19 and suspension/interruption of services. It was confirmed that the majority of services had subsequently commenced or were in the process of recommencing and it was anticipated that as restrictions are eased, actual spend will come into line with budgets.
- 6.3.2 Board noted the maintenance spend update.

## **6.4 Maintenance progress report**

- 6.4.1 D McKnight advised the Board that the introduction of Level 4 restrictions by Scottish Government had interrupted progress and put projects on hold. However, it was emphasised that outdoor working continues, and if restrictions are lifted on 11 December 2020 as proposed, three contractors are in place to ensure that planned maintenance would still reach its targeted completion date of 31 March 2021.
- 6.4.2 Should additional restrictions prove necessary, there is a possibility that this could impede progress of the planned maintenance programme. This would depend upon the nature and period of any subsequent lock down. Scottish Government coronavirus guidance will be carefully monitored and relationships with contractors maintained to ensure that the Co-operative can respond effectively to any changes that take place.
- 6.4.3 Informal discussions with our financial agents and Nationwide have commenced to discuss options should expenditure be required to be moved into next year's budget.
- 6.4.4 The Board noted the Maintenance progress report.

At 7.50pm, Standing Orders were suspended.

## **6.5 Energy Efficiency Standards Social Housing compliance report**

6.5.1 D McKnight informed the Board that 99% of the Co-operative's stock is currently compliant with EESSH, with five properties outstanding due to form and age of heating systems present. Efforts continue to install new heating systems, but it is anticipated four homes will require exemption following the December 2020 deadline.

6.5.2 The trajectory for EESSH2 was discussed and it was highlighted that the Co-operative was well placed to meet the 2025 milestone, where no social housing should be let below EPC band by December 2025.

6.5.3 The Board noted the EESSH report.

## **6.6 Exceptions report – Rent arrears 31 October 2020**

6.6.1 S Flynn presented the arrears position from March to October 2020 for information and to keep Board apprised of the trend on arrears during the pandemic.

6.6.2 The Board noted the exceptions report.

## **6.7 Procurement of Gas Maintenance**

6.7.1 D McKnight updated the Board on the present situation with the existing Gas Maintenance contract which was discussed at the September Board meeting.

6.7.2 Legal advice has been provided by TC Young who have confirmed that Scotland Excel is a well-known and widely utilised central purchasing body and Atkinson Partnership determined that the procurement of gas maintenance services via framework represented value for money.

6.7.3 It was recommended that the Board

- Agree to join Scotland Excel with a view to procuring gas maintenance services
- Consider the benefits of a direct award/call off to City Building (Contracts) LLP – this was based upon the high-quality service that has been provided

6.7.4 Board approved the recommendation to join Scotland Excel with a view to procuring gas maintenance services and progress a direct award to City Building (Contracts) LLP, providing that costs were in line with other framework suppliers.

M Bowie left the meeting at 7.55pm



## **7. Policy review**

7.1 J McGoran discussed key edits to the two policies below.

### **7.1(i) Financial Regulations policy**

Board approved the Financial Regulations policy in accordance with the proposed changes outlined in the Board papers.

### **7.1(ii) Financial Procedures policy**

Board approved the Financial Procedures policy in accordance with the proposed changes outlined in the Board papers.

## **8. Governance**

### **8.1 Membership Report**

8.1.1 There were 19 prospective members brought to this meeting and 10 Share Certificates which were approved by the Board.

### **8.2 Notifiable Events**

8.2.1 The notifiable events report was presented to the Board. P Burke firstly referred to the Options Appraisal notifiable event raised in January 2020.

8.2.2 As the introduction of Tier 4 restrictions for Glasgow was implemented from 20 November 2020, a notifiable event was submitted to SHR on 23 November 2020 advising that repairs within tenants' homes will be limited to emergency/essential only.

8.2.3 The Board noted the notifiable events update.

## **9. Audit, Risk and Staffing sub-Committee**

### **9.1 Minutes of meeting 13 August 2020**

9.1.1 The Board noted the minutes from the Audit, Risk and Staffing sub-Committee on 13 August 2020.

Staff left the meeting at 8.00pm

Lorna Ravell from EVH entered the meeting at 8.05pm

## **9.2 Recommendations from meeting 5 November 2020**

### 9.2.1 Confidential re PAYE Award negotiations

Confidential staffing matter

Lorna Ravell left the meeting at 8.20pm

## **10. Any Other Competent Business**

P Burke returned to the meeting 8.25pm

10.1 The Director Appraisal is due to be carried out January 2021 with Stuart Eglinton facilitating the process.

10.2 Board approved the office closure at lunchtime on Christmas Eve.

## **11. Date of next meeting**

11.1 The next Board meeting will take place on Tuesday 26 January 2021 at 6.00pm using ZOOM Video Communications.

**The meeting closed at 8.30pm.**