

## **Ag3**

Minutes of the Management Board meeting held on Tuesday 23 May 2023 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP.  
Hybrid meeting using Zoom Video Communications

**Present:** David O'Hara (Chair)  
Josephine Barnshaw  
Helen Eakin  
Alex Kerr  
Elspeth Kerr  
Joan McFarlane  
Kelvin Nubor (Via ZOOM)

**In attendance:** Pauline Burke, Director  
Jacqueline McGoran, Finance & Corporate Services Manager  
Marisa McCarthy, Senior Housing Officer  
Alexander Gemmell, Senior Maintenance Officer

***Prior to the start of the meeting, D O'Hara requested members bring agenda item 6.9 to the beginning of the agenda. Members agreed.***

***D O'Hara welcomed Pat Bradley, HR Consultant to the meeting***

***P Bradley left the meeting at 6.30pm.***

### **1. Apologies**

1.1 Apologies were received from V Ogar and K Watt.

### **2. Declarations of interest**

2.1 There were no declarations of interest noted.

### **3. Previous meetings**

#### **3.1 Minutes of Board meeting on 18 April 2023**

- 3.1.1 The minute of the Management Board meeting held on 18 April 2023 was agreed and proposed by J Barnshaw and seconded by H Eakin.

### **4. Meeting Action List 2023/24**

- 4.1 The Board approved the meeting action list.

### **5. Matters arising**

- 5.1 There was one matters arising.
  - 5.1.1 M Bowie requested a leave of absence for three months. Members considered and approved the leave of absence.

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

#### **6.1 Nationwide Loan Repayment**

- 6.1.1 J McGoran presented to the Board the two options and associated legal costs in matters relating to security being provided to lenders on an “all monies basis” and the release of excess security.
- 6.1.2 Board asked would the number of units required for security be reduced to reflect the early repayment of loans that Board had approved but payment was pending on the outcome of the security issue. J McGoran advised that the lenders advised that they could look into reducing the number of units required to remain in charge to Nationwide – dependent on the outcome of the desktop valuation. However, the original scope of option 2 was based upon a straightforward exercise of re-charging all 77 units as they are covered by a single Title. If there is a requirement to release additional units from the 77 this will incur additional legal fees (payable by Drumchapel). The additional work would require drawing up a plan to identify the extent of the title being charged and checking the title to make sure that the units being charged have all necessary access rights and rights to services if the whole of the title is not being charged.
- 6.1.3 After discussion Board agreed to Option 2 which is the full release and retake of security over 77 units only.

6.1.4 J McGoran advised that since a valuation was being carried out on the units identified in the title to provide security that the Co-operative should consider carrying out a full stock valuation as it had been some time since the last valuation. Board agreed to a full stock valuation.

## 6.2 Management Accounts to 31 March 2023

6.2.1 J McGoran presented the management accounts to 31 March 2023 highlighting the main variances between actual and budgeted spend.

6.2.2 The surplus for the year was £526,845 against the budgeted surplus of £485,803. This provided a favourable variance of £41,041. J McGoran advised the disclosure of the accounting position movement for the pension defined benefit scheme as per FRS102 (Section 28) has resulted in an actuarial loss of £108.6k.

6.2.3 J McGoran highlighted to the Board variances against budget in the Statement of Comprehensive Income detailing reasons for identified variances.

6.2.4 There has been an increase of £169,984 in current assets over the period largely due to an increase in cash balances and debtors. Total cash balances were £2.437 million at the year end which was slightly higher than projected due to the postponement of early repayment of loans of circa £283k(31 March 2023).

6.2.5 Equity has increased over the period to £6,694,804 – the main factor being the addition of the £526,845 surplus generated for the year to 31 March 2023

6.2.6 The Co-operative had met its KPI's for the year with the exception of reactive repairs per unit and cyclical & planned revenue per unit, the reasons for which had been discussed as part of the Statement of Comprehensive Income.

6.2.7 The Co-operative has met its interest cover and asset cover targets as set out in its loan covenant documentation.

6.2.8 Board were advised that the Co-operative remains financially robust however the financial climate continues to create uncertainty with the continued cost of living crisis, the impact of the continuing war in Ukraine and challenging financial markets worldwide, but meantime the Co-operative will be monitoring the economic situation closely to minimise impact wherever possible.

6.2.9 Members considered and approved the management accounts to 31 March 2023.

### **6.3 Treasury Management to 31 March 2023**

6.3.1 J McGoran presented to the Board the Treasury Management Report which details treasury management operations which includes the amount & status of existing loans; the amount of stock secured against loans; future proposed borrowing; and management of cash available for investment.

6.3.2 J McGoran advised that as at 31 March 2023 the cash balance was £2.4M and it is projected that by 31/03/24 the overall cash resources will be just over £2.1M. The current updated draft long term projections (base case model for May 2023 Scottish Housing Regulator Five Year Projections) indicates a positive cash position over the short to medium term. Average cash balances in the first five years are around £2.5M.

6.3.3 The Co-operative's debt levels are relatively low at 31 March 2023, total £1.68M and is all with Nationwide Building Society, with around one third of all debt on a fixed rate basis. The Co-operative has various sums on deposit totalling £897,513 which mature at various times during the next 12 months

6.3.4 There are no loan covenant issues expected at any point based on the long-term projections which cannot be remedied by slightly changing the timing of planned maintenance.

6.3.5 For the Co-operative Cash exceeded total loan debt from 31 March 2022 and continues to do so. There are no plans at present to take on additional debt.

6.3.6 Members discussed and approved the Treasury Management Report to 31 March 2023.

### **6.4 SHAPS (Pension) DB Accounting update 31 March 2023**

6.4.1 J McGoran presented the final details of the Co-operative's defined benefit (DB) accounting disclosures for the period ending 31 March 2023.

6.4.3 Members noted the report and confirmed they would like a note to be added to the accounts to reflect scheme benefit review as included in the body of the report.

## **6.5 Finance Services**

6.5.1 The Co-operative buys in financial services via Cernach Housing Association. The contract is for a three-year period with the option to extend for a further year subject to satisfactory performance.

6.5.2 Members discussed the information within the report and approved the extension of the contract for a further year.

## **6.6. Strategy Day programme 2023**

6.6.1 P Burke discussed the agenda, speakers, arrangements, and venue planned for the Board and staff away day referred to at last month's meeting.

6.6.2 Members noted the format of the day.

## **6.7 External Audit Impairment Statement**

6.7.1 P Burke presented the Impairment Statement as part of the External Audit highlighting changes made to section 2, 3 and 7 of the statement.

6.7.2 Board considered and approved the Impairment Statement.

## **6.8 Correction to Five-year Financial Projections**

6.8.1 J McGoran updated the Board to a correction within the draft five-year financial projections that were approved by Board prior to submission to the Scottish Housing Regulator at the April Board meeting.

6.8.2 The validation error was in the additional information section which details the assumptions used in the Five-year projections, namely; rent increase – margin above/below general inflation % had been input year 3-5 as 2.0. This has been corrected to 0 for year 3-5.

6.8.3 Members noted the correction.

## **6.9 Board Appraisal report**

6.9.1 P Bradley presented the results the individual interviews and group exercise he carried out with Members. Recommendations from the report were discussed in some detail and the agreed actions are noted below:

- I. Identify individual and collective training needs from the appraisal process

- II. Incorporate these into the Board Training & Development Plan
- III. Encourage any members who may be willing / able to become an Office Bearer and ensure they have the relevant development opportunities.
- IV. Conduct a brief half-year review with each Board member to check progress and ensure they are receiving the support they need to be effective
- V. Report quarterly on progress to the Board

6.9.2 Members approved the report and agreed actions.

## **6.10 Annual Return on the Charter (ARC)**

6.10.1 J McGoran presented the draft ARC 2022/23 highlighting performance in various areas and comments for each section of the return. A lengthy discussion took place with Board in particular around the independent tenant satisfaction survey results which in some areas had seen a decline in comparison to the 2019 Tenant Satisfaction Survey.

6.10.2 Board reviewed and approved the ARC 2022/23.

6.10.3 Board granted delegated authority for the ARC to be submitted to the Scottish Housing Regulator on behalf of the organisation by J McGoran.

**Action – J McGoran**

## **7. Housing and Maintenance report**

### **7.1 Maintenance Expenditure to 31 March 2023**

7.1.1 A Gemmell presented performance and spend report to 31 March 2023.

7.1.2 A Gemmell advised Board of spends within maintenance advising of the reasons behind variances.

7.1.3 Board noted contents of the report and the performance and spend update.

### **7.2 Citizens Advice Bureau 2022/23 Annual report**

7.2.1 M McCarthy presented the Citizens Advice Bureau 2022/23 annual report detailing the financial benefits of this service to tenants.

7.2.2 The evaluability of the service was recognised with a financial gain for tenants of circa £206k during 2022/23.

7.2.3 The Board noted the report.

## **8. Policy Review**

### **8.1. Data Protection and Access to Personal Information policy**

8.1.2 The Board considered and approved the Data Protection and Access to Information policy reviewed by M McAuley of RGDP LLP.

## **9. Governance**

### **9.1 Membership report**

9.1.1 There were twenty-seven prospective members on the membership report for approval.

9.1.2 Board approved twenty-seven prospective members and one share certificate.

### **9.2 Ethical conduct and notifiable events**

9.2.1 There were no ethical conducts to report, and no notifiable events submitted to the Scottish Housing Regulator since the last Board meeting.

## **10. Audit, Risk and staffing sub-committee**

10.1 The Board noted the minute if the Audit, Risk & Staffing sub-Committee meeting on 9 February 2023.

10.2 The Board considered the recommendations from the Audit, Risk & Staffing sub-Committee meeting on 4 May 2023.

10.3 All recommendations were agreed.

## **11. Any Other Competent Business**

11.1 A Board Information session is arranged for Thursday 25 May 2023 where tenants can drop-in for information on becoming Board Members.

11.2 Board discussed the approach to sourcing funding to support tenants through the cost of living crisis, it was agreed to continue with the current approach when applying for funding.

## **12. Date of Next Meeting**

12.1 The next meeting will take place on Tuesday 8 August 2023 at 6.00pm in the Co-operative's office.

**D O'Hara closed the meeting at 7.40pm**