

Minutes of the Management Board meeting held on Tuesday 24 May 2022 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP. Hybrid meeting using ZOOM Video Communications.

Ag3

Present: Andrew Loen (Acting Chair)
Elspeth Kerr
David Riddell
Josephine Barnshaw
Vincent Ogar
Joan McFarlane
Helen Eakin
Kayleigh Watt

In attendance: Pauline Burke, Director
Jacqueline McGoran, Senior Finance Officer
Chantelle Devlin, Minute Taker

1. Apologies

1.1 Apologies were received from D O'Hara, M Bowie and T Harvey.

2. Declaration of interest

2.1 A Loen declared an interest at agenda item 8.1

2.2 C Devlin declared an interest at agenda item 8.1

V Ogar left the meeting at 18:10.

3. Minute of the previous meeting

3(i) There was a correction to the minute. It was highlighted that Tiffany attended the meeting held on 19 April 2022 but is noted under apologies.

3(ii) The minute of the meeting held on 19 April 2022 was proposed by J Barnshaw and seconded by D Riddell.

3(iii) The confidential minutes of the meeting held on 19 April 2022 were proposed by J McFarlane and seconded by J Barnshaw.

- 3(iv) The confidential minutes of the meeting held on 27 April 2022 were proposed by D Riddell and seconded by H Eakin

3.1 Meeting Action List

- 3.2 P Burke presented the meeting action list 2022/23.
- 3.3 P Burke advised members that agenda item 5.5 details the strategy day and discussions can take place at that point.
- 3.4 P Burke advised that a donation had not been made to Men Matter Scotland due to their failure to provide bank details despite being contacted numerous times asking them to do so.
- 3.5 E Kerr advised that Men Matter Scotland had been awarded £135k lottery funding recently. Due to this and after discussion Board agreed that rather than continuing to pursue Men Matters Scotland for details that the donation on this occasion would be better going to another local deserving cause should a request for donation be made.

4. Matters arising

- 4.1 There was one matter arising. P Burke advised Board that M Bowie has requested a leave of absence until August.
- 4.2 Board approved M Bowie's leave of absence.

5. Director's Report

5.1 Management Accounts to 31 March 2022

- 5.1.1 J McGoran presented the management accounts to 31 March 2022 highlighting the main variances between actual and budgeted spend.
- 5.1.2 The surplus for the year was £913,025 against the budgeted surplus of £263,250. This provided a favourable variance of £649,774.
J McGoran advised that the continued effect of the pandemic during 21-22 is reflected in the positive variances showing in operating expenditure for the year to 31 March 2022 which has resulted in surplus being significantly higher than budgeted. Additionally, the disclosure of the accounting position movement for the pension defined benefit scheme as per FRS102 (Section 28) has resulted in an actuarial gain of £310.4k.

- 5.1.3 There has been a decrease of £107,625 in current assets over the period primarily due to a decrease in debtors in particular rent arrears (£21.9k).
- 5.1.4 KPI's and Ratios are largely showing better than budgeted results which is predominantly due to reductions in spends/costs due to the impact of Covid 19 with the exception of reactive costs per unit.
- 5.1.5 The Co-operative has met its interest cover and asset cover targets as set out in its loan covenant documentation.
- 5.1.6 Board were advised that the Co-operative's financial position remains robust however the current economic climate will create challenges for both the organisation and its tenants. Shortages in labour and materials have driven costs up considerably which is reflected in year-end repair costs being over budget and will going forward impact planned and cyclical program costs, the extent to which remains unknown. Increased living, energy and fuel costs may impact rent collection resulting in higher arrears. It is difficult to conclude if this is just a short-term situation, but in the meantime the Co-operative will be monitoring the economic situation very closely to minimise impact wherever possible.
- 5.17 Members considered and approved the management accounts to 31 March 2022.

5.2 SHAPS (Pension) DB Accounting Update 31 March 2022

- 5.2.1 J McGoran presented the final details of the Co-operative's defined benefit (DB) accounting disclosures for the period ending 31 March 2022.
- 5.2.2 The Co-operative's position at 31 March 2022 confirms the pension providers expectations with the actuarial loss on pension reducing from £519k (actuarial loss) at 31.03.2021 to £85k (actuarial loss) at 31.03.2022.
- 5.2.3 Board were advised that The Pensions Trust (TPT) completed a review of the changes made to the benefit structures of the defined benefit pension schemes within the Trust. The result of this review is that, in some cases, it is unclear whether changes were made to scheme benefits in accordance with the Trust's governing documentation. TPT is currently seeking directions from the Court on this matter, and it is recognised that this could potentially impact the value of Scheme liabilities. J McGoran asked Board to decide if they wish to include in the final accounts a note reflecting the situation.

- 5.2.3 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.

5.3 Treasury Management Report 31 March 2022

- 5.3.1 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.
- 5.3.2 J McGoran advised that as at 31/03/22 the cash balance was £2.28M and it is projected that by 31/03/23 the overall cash resources will be just over £2.1M. Minimum cash balance requirements of at least 6 months average operating expenditure (excluding components) is achieved for 22/23 and over the long-term projections.
- 5.3.3 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
- 5.3.4 Members discussed and approved the Treasury Management Report 31 March 2022.

5.4 Annual Return on the Charter (ARC) and EESHH 2021/22

- 5.4.1 J McGoran presented the annual return on the Charter (ARC) 2021/22 highlighting performance in various areas. Board were reminded as detailed in the report that the annual Return on the Charter in full was uploaded on to the portal for Board's consideration.
- 5.4.2 Board reviewed and approved the annual Return on the Charter (ARC) 2021/22.
- 5.4.3 Board granted delegated authority for the ARC to be submitted on behalf of the organisation by J McGoran.

5.5 Strategy Day 2022

- 5.5.1 P Burke advised members that the strategy day arrangements have been finalised and that B Coyle from Proactive would be facilitating the event once again this year. A Cameron from Quinn Internal Audit Services will present on Risk Management and A Docherty from Lochfield Park Housing Association will present on Carbon Neutral Agenda.

5.5.2 Discussions took place regarding the arrangements for the day, and it was agreed that C Devlin would liaise with Board to confirm travel arrangements.

5.6 External Audit – Impairment Statement

5.6.1 P Burke presented the impairment statement as part of the External Audit with there being no changes from last year.

5.6.2 Board considered and approved the Impairment Statement.

6. Housing and Technical Report

6.1 Maintenance Expenditure report to 31 March 2022

6.1.1 J McGoran presented the Maintenance Expenditure report to 31 March 2022.

6.1.2 Board discussed in length the ad-hoc component spends in particular boilers. P Burke explained that repairs will be carried out wherever possible and that replacement parts are included within the contract cost with City Building. However, on occasions boilers may be beyond repair and the only option is to replace. Board were also advised that technical staff were carrying out an exercise to establish if there was a commonality within those boilers needing replaced e.g. brand/model.

6.1.3 Board noted the maintenance expenditure report.

7. Policy review

7.1 Policy Review Report

7.1.1 P Burke asked members to approve the following policies that were placed on the portal:

7.1(i) Employers in Voluntary Housing Health and Safety Control Manual (for office/employer duties)

7.1(ii) Employers in Voluntary Housing Landlord Safety Manual (for properties and landlord responsibilities.)

7.1.2 Board approved both safety control manuals.

7.2 P Burke asked members to postpone the timescale to review the Sustainability Policy as due to staffing issues and other business critical items the policy had not been reviewed in the given timescale.

7.3 Board agreed to postpone the Sustainability Policy review.

8. Governance

C Devlin and A Loen left the meeting at 19:05 due to a declaration of interest.

8.1 Membership Report

8.1.1 Board approved 44 prospective members and 4 share certificates.

C Devlin and A Loen returned to the meeting at 19:06

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

C Devlin left the meeting at 19:33 due to staffing matters of a confidential nature.

10.1 Staffing Matters- confidential. Please refer to the confidential minute

11. Date of next meeting

11.1 The next Board meeting will take place on Tuesday 28 June 2022 at 6.00pm using hybrid model.

The meeting closed at 19:40pm