



**Drumchapel  
Housing**  
Co-operative Limited

Management Board meeting to be held on Tuesday 5 March 2024 at 6:00pm. hybrid meeting using ZOOM Video Communications at 4 Kinclaven Avenue, Drumchapel Glasgow G15 7SP

## **Ag3**

**Present:** David O'Hara (Chair)  
Josephine Barnshaw  
Helen Eakin  
Jean Forbes  
Karen Hogg  
Elspeth Kerr  
Alex Kerr  
Joan McFarlane  
David Riddell

**In attendance:** Pauline Burke, Director  
Jacqueline McGoran, Finance & Corporate Services Manager  
Marisa McCarthy, Senior Housing Officer  
Alex Gemmell, Senior Maintenance Officer  
  
Alex Cameron, Quinn Internal Audit (via Zoom)  
Maura McAuley, RGDP (via Zoom)

### **1. Apologies**

1.1 Apologies were received from G MacIntosh, K McKenna, F McLean, P McNaught, Vincent Ogar and K Watt.

### **2. Declaration of interest**

2.1 There were no declarations of interest noted.

### **3. Minute of the previous meeting held on 23 January 2024**

3. The minute of the meeting on 23 January 2024 was proposed by J Barnshaw and seconded by D O'Hara.

3(i) The minute of the meeting on 20 February 2024 was proposed by H Eakin and seconded by E Kerr.

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

4.1 The meeting action list was approved by the Management Board.

#### **5. Matters arising**

##### **5.1 Donations Report**

5.2 The Management Board were provided a list of 3<sup>rd</sup> Sector Charities for consideration of future donations. Two donation requests were received from Parent Council, Langfaulds Primary School and Stand with Kyle Now.

5.3 The Management Board approved a donation of £125 to both charities.

**Action – A Brown**

#### **6.1 Annual Internal Audit reports**

6.1.1 A Cameron presented the findings of the internal audit reports on

- Annual Return on the Charter
- Responsive Repairs
- Tenant Safety
- Budgetary Control
- Follow-up

6.1.2 A Cameron informed the Management Board that the findings were positive, with substantial assurance of a robust and effective framework for risk management, governance, and internal control, which has been consistently demonstrated through the audits.

6.1.3 Regarding the tenant safety and budgetary control, he gave minor recommendations as noted in the report.

6.1.4 The Management Board approved the recommendations. These will be incorporated in the tracker and progress reported to the Audit, Risk & Staffing sub-Committee.

#### **6.2 Audit Plan 2024/25**

6.2.1 A Cameron presented draft Audit Plan for 2024/25. After some discussion, the Management Board approved the plan.

## **6.2 Annual General Data Protection Regulations (GDPR)**

6.2.1 M McAuley presented the findings of the GDPR progress for 2023/24 on

- PCI DSS Compliance Assessment completed successfully (credit/debit card payment security)
- Annual Data Protection staff training completed. Further sessions being currently planned for 2024
- Strong record of compliance with meeting timebound data requests maintained
- Improvements in data retention controls have been made with further improvements planned.
- Changes to UK GDPR

6.2.2 M McCauley informed the Management Board the progress was positive and going forward a compliance review plan is planned to commence March 2024 to ensure the Co-operative continues to meet its UK data protection (UK GDPR and Data Protection Impact Assessments 2018) and Freedom of Information (Scotland) Act 2022 obligations.

6.2.3 M McCauley also noted all organisations including Registered Social Landlords continued to face an ever increasing cyber threat in 2023 which will continue in 2024 and to date the Co-operative has not experienced a cyber security incident impacting data protection.

6.2.4 E Kerr asked what type of information was requested on the Freedom of Information requests received. M McAuley confirmed they were generally sector wide.

6.2.4 The Management Board noted the contents of the report and presentation.

## **6.3 Management Accounts to 31 December 2023**

6.3.1 J McGoran presented the report on Management Accounts to 31 December 2023.

6.3.2 The total comprehensive income (surplus) for the year to 31 December 2023 was £655,871 v budgeted surplus of £380,317 resulting in a favourable variance of £275,554.

6.3.3 Board were advised that the positive variance in miscellaneous income of £51.6k was due to the £55.9k funding received from SFHA Social Housing Fuel Support Fund to support tenants. The Board noted funding received was

one off unbudgeted income.

- 6.3.4 J McGoran advised Board that the £24k unfavourable variance showing in Housing Management costs is largely due to the recognition in expenditure account (other HM estate costs) of the grant funding £55.9k received from SFHA.
- 6.3.5 J McGoran highlighted the positive variances within Housing Maintenance costs. As detailed within the body of the report positive variances are largely down to timing and most costs are expected to come into line with budget by year end. Board also noted any identified real cost savings.
- 6.3.6 Board were advised that the majority of overhead costs were showing positive variances and noted the reasons for this as detailed within the report.
- 6.3.7 Current assets have decreased in the period by just over £45k which is due to a decrease in cash as payments have been made through the year.
- 6.3.8 Board were advised that as approved previously, £400k was placed with RBS on a 1-year fixed treasury deposit and the two Nationwide saver accounts of £262.2k and £565.2k were moved to higher interest bearing 1 year fixed deposits. Board noted that year end cash balances are expected to be circa £2.2m.
- 6.3.9 Equity has increased over the period to £7,338,794 – the main factor being the addition of the **£655,871 surplus** generated for the year to 31 December 2023.
- 6.3.10 Key Performance Indicators were touched upon, and Board were advised the Co-operative had met its interest cover and asset cover targets as set out in its loan covenant documentation for the period
- 6.3.11 The Board approved the Management Accounts to 31 December 2023

## **6.4 Portfolio Rebuild Valuation Survey**

- 6.4.1 J McGoran advised Board that the Co-operative's Insurance Brokers, Howden Insurance (previously Bruce Stevenson) as part of the insurance renewal for 2024-25, requested up to date reinstatement costs for DHL's stock and office.
- 6.4.2 Board were provided with JLL's proposal including cost for carrying out desktop and individual block inspection (if required) reinstatement cost assessments of the Co-operative's properties.
- 6.4.3 J McGoran highlighted to Board as detailed within the report, Howden

Insurance comments on carrying out a desktop exercise compared to a physical exercise and the clarification provided to the Co-operative by JLL on this matter.

- 6.4.5 After a lengthy discussion took place and taking into consideration Howden Insurance comments and response from JLL, Board agreed JLL's proposal for carrying out the Co-operative's portfolio rebuild valuation surveys.

## **6.5 Corporation Tax Return**

- 6.5.1 J McGoran presented the Corporate Tax Return for 1 April 2022 to 31 March 2023 and advised members this had been prepared by Findlays Chartered Accountants, the external auditor on the Co-operative's behalf, indicating that the Co-operative has no liability to corporation tax for the year.
- 6.5.2 J McGoran also advised the Secretary is required to sign the return on behalf of the Co-operative.
- 6.5.3 The Management Board approved the return for signing by the Secretary and submission to HM Revenue & Customs by 31 March 2024.

## **6.6 Business Plan Mid-year progress**

- 6.6.1 P Burke presented the report to members highlighting the completed objectives and those objectives that are still progressing. Members noted the good progress being made across all parts of the Business Plan and the work to be progressed on reviewing estate management and Climate Change/Net Zero Agenda.
- 6.6.2 After some discussion Board noted the update on the mid-year review of the Business Plan.

## **6.7 Equality & Human Rights**

- 6.7.1 P Burke presented the report on equality & human rights and noted that progress that had been made against the Co-operative's action plan.
- 6.7.2 The Management Board noted the content of the report.

## **6.8 Management Board Workplan 2024/25**

6.8.1 P Burke presented the board workplan, following discussion the October meeting date was changed to 15 October 2024 and the Rent Review meeting in November date to be confirmed. The workplan was approved by the Management Board.

## **6.9 Policy Review Schedule 2024/25**

6.9.1 P Burke presented the policy review schedule, and this was approved by the Management Board.

## **6.10 Schedule of Meetings 2024/25**

6.10.1 P Burke presented the schedule of meetings, and this was approved by the Management Board.

# **7. Housing and Maintenance Reports**

## **7.1 Maintenance Spend to 31 December 2023**

7.1.1 A Gemmell presented to Board maintenance spends to 31 December 2023

7.1.2 Board were advised that although reactive repairs were showing a positive variance to 31 December 2023 it is anticipated costs will be in line with budget by year end.

7.1.3 A Gemmell advised that general repair costs are lower than budgeted due to fewer void numbers in the period rather than real savings. It is anticipated that costs will be underbudget by approximately £13k at year end.

7.1.4 Board noted the explanations given on variances between spends versus budget.

## **7.2 Maintenance Performance to 31 December 2023**

7.2.1 A Gemmell presented the report on Maintenance performance for the period to 31 December 2023.

7.2.2 All key performance indicators have been met for the period. A Gemmell advised that independent gas audits had been slightly lower than target at end of quarter 3 but at time of meeting were achieving target of 10%.

7.2.3 Board noted that maintenance continue to meet Key Performance Indicator targets and some performance improvements had been made in the 3<sup>rd</sup> quarter.

### **7.3 Approved Contractor**

7.3.1 A Gemmell presented the report to the Management Board requesting PL Joinery and The Structural Partnership Ltd be added to the list of approved contractors.

7.3.2 The Management Board noted the content of the report and approved the two contractors be added to the Approved Contractors List.

### **7.4 Stock Condition Survey**

7.4.1 A Gemmell updated the Board on the progress of the stock condition survey and the possible liquidation of the approved consultant carrying out the survey. A Gemmell confirmed the Co-operative is awaiting formal notification of the liquidation.

7.4.2 Board noted the update.

### **7.5 Bad Debt write-off**

7.5.1 Board noted the content of the bad debt and credit write off report for the fourth quarter and approved the bad debt write off of £2,009.87 and the credit write off totalling £3,942.19

### **7.6 Housing Management Performance Exception report**

7.6.1 The Board noted that there were no performance exceptions to report to 31 January 2024.

## **8. Policy review**

### **8.1 Policy Review – Suite of Housing and Maintenance policies**

8.1.1 M McCarthy and A Gemmell presented the report to Board, confirming after Tenant Consultation a Working Group of Board Members reviewed the Suite of Housing and Maintenance policies noted in section 1.1 of the report with a recommendation for the policies be approved by the Management Board.

8.1.2 The Management Board approved the policies.

## **8.2 Policy Review – Finance, Fraud and Procurement**

8.2. J McGoran advised Board that there were few substantive changes to the reviewed policies, but the opportunity had been taken to clarify and/or strengthen key areas of control. J McGoran discussed key edits to the four policies below:

### **8.2.(i) Fraud Policy and Procedures**

Board approved the Fraud policy and procedures in accordance with the proposed changes outlined in the Board papers

### **8.2(ii) Financial Regulations policy**

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

### **8.2(iii) Financial Procedures policy**

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

### **8.2(iv) Procurement Policy**

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

## **9. Governance**

### **9.1 Membership Report**

9.1.1 There were 35 prospective members and 2 Share Certificates for approval.

9.1.2 The Management Board approved 35 prospective members and 2 share certificates.

### **9.2 Ethical Conduct and Notifiable Events**

9.2.1 There are no ethical conducts or notifiable events to report.

9.2.3 The Management Board noted the report.



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

- 10.1 The minute of the meeting on 16 November 2023 was approved by the Management Board.
- 10.2 Recommendations from the meeting held on 15 February 2024, were discussed, and approved by the Management Board.

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

### **11.1 Scottish Housing Regulator (SHR) New Regulatory Framework and Statutory Guidance**

- 11.1.1 P Burke advised Board the Scottish Housing Regulator issued a letter on the new Regulatory Framework and Statutory Guidance from 1 April 2024. The letter will be emailed to members as there are links directly to the new framework and guidance.

**Action – A Brown**

### **11.2 Employers in Voluntary Housing Pay Negotiations**

- 11.2.1 P Burke provided an update to members on Employers in Voluntary Housing Pay Negotiations being a conciliation meeting today with ACAS, UNITE and EVH.
- 11.2.2 Members noted the update.

### **11.3 Loan Security Nationwide**

- 11.3.1 J McGoran advised Board that they had just received notification from the Co-operative's solicitors on the agreement of standard security to be provided to Nationwide for the approval of Board, and on approval the signing of the standard security agreement as per signing instructions.
- 11.3.2 As agreed by Board, JLL carried out a valuation of title exercise on GLA 162758 as required by Nationwide. From this, 29 properties were identified to provide security of 125% on the outstanding loan balance of circa £1.3m at 1<sup>st</sup> February 2024. Total existing use valuation (EUV) of the 29 properties identified to provide security totals £1.63m

11.3.3 Morton Fraser MacRoberts LLP have now completed the security exercise on behalf of the Co-operative in liaison with Nationwide's solicitors and Board should note the following points:

- The standard security is an 'all-sums' standard security, meaning that it will cover any future borrowings the Co-operative has with Nationwide (the Lender), and not just those being advanced under the current facility.
- In security of all sums due and to become due to the Lender, the Co-operative is granting a standard security over the following properties:

[REDACTED]

11.3.4 As part of the exercise the Co-operative has requested the release of excess security. The Co-operative's solicitors are liaising on the discharge of excess security with Nationwide which will result in the release of 214 units.

11.3.5 Board approved the granting of standard security on an "all monies" basis, granting standard security over the properties noted. and the signing of the standard security as per signing instructions.

#### 11.4 **Business Planning Programme**

11.4.1 A discussion took place regarding business planning for the Strategy Day on Friday 14 June 2024. It was agreed by Board for three working groups of staff and board members to meet and prepare presentations for discussion on the day. Brian Coyle from Proactive Consultancy will facilitate the meetings and the Strategy Day.

#### 11.5 **Housing Services sub-Committee**

11.5.1 It was requested by Board for a paper to be presented at the next meeting on a workplan for a Housing & Maintenance Services sub-Committee.

**Action – P Burke**

## 12. **Date of next meeting**

12.1 The next Management Board meeting will take place on **Tuesday 16 April 2024 at 6.00pm**

**Chair**.....**Date**.....

The meeting finished at 7.50pm.