



DRAFT MINUTES OF THE MANAGEMENT COMMITTEE MEETING

HELD ON WEDNESDAY 31 MAY 2023 at 6.30p.m.

MEETING HELD IN THE COMMITTEE ROOM OF THE CO-OPERATIVE'S OFFICES

1. SEDERUNT

PRESENT: P. Waddell, D. Barnes, A. Cushingam, C. Harvey
M. Davidson (Zoom)

IN ATTENDANCE:

K. Mollins – Director; J. Meechan – Temporary Housing Manager; M. Finnie- Temporary Maintenance Manager; F. Nicholl – FMD Financial Services Ltd.

Apologies: B. Hartness, D. McNulty

Leave of absence: None

2. MEETING OF THE MANAGEMENT COMMITTEE

a) 26 April 2023

i) Minute

The minutes of the Management Committee meeting on 26 April 2023 were approved by D. Barnes and seconded by A. Cushingam.

ii) Matters Arising:

a) Section 12 – Review of Fully Mutual Status

The Director updated the Committee on progress and advised them of the form they require to complete as a charitable trustee for submission to OSCR by TC Young. The Director asked if these could be submitted to Nikkita Smith no later than Friday 2 June 2023 for issue to TC Young.

The Director advised the Chairperson he would e-mail Committee members not in attendance at the meeting to ask them to complete and return the form.

b) Master Tracker

The Director presented the progress report on the Master Tracker from the meeting in April 2023 and advised there had been good progress with achievement of many tasks on the Master Tracker. He highlighted that the Management Team were progressing key tasks as outlined in the report:

- Gas Maintenance Contract – The Maintenance Manager advised the Committee that there were discussions with Gas Sure in relation to contract

The Committee raised the following queries or questions in relation to the Master Tracker and progress of key tasks from previous meetings on the Committee:

- a) A Committee member asked about progress to secure new premises for the estate caretakers. The Director confirmed that there had been limited progress, although assessment of vacant units in local industrial sites was seen as the preferred option.

There was no other business and Committee noted the content of the report

3. DECLARATIONS OF INTEREST AND NOTIFIABLE EVENTS

It was noted that Committee and staff will declare an interest as follows:

Staff Members would leave the meeting for agenda for the following agenda Items:

- Item 20 – Confidential Business as directed by the Chairperson

Committee Members

- P. Waddell declared an interest in agenda item 17 – Report on wider role contribution to ERA

Notifiable Events - The Director advised there are two notifiable events (NE), which is the review of the staff structure and a new NE for compliance with loan covenants associated with the review of the staff structure as outlined in the report dated 26 April 2023.

4. LOAN PORT-FOLIO RETURN TO THE SCOTTISH HOUSING REGULATOR

F. Nicholl presented her report on the loan port-folio return to the Scottish Housing Regulator (SHR), which is due for submission by 30 June 2023. She highlighted the following:

- The loan port-folio return is an annual submission to the housing regulator for all RSLs and it outlines transactions in the year.
- The main changes were as listed:
 - the return details the updated loan balances at 31 March 2023;
 - Confirmation we reported loan covenants to lenders, which was achieved in May 2023;
 - An amendment to reflect the discharged security by RBS;
 - No new loans in the year
- Appendix 1 to the report outlines the loan port-folio to the Regulator and approval is sought to submit this by 30 June 2023.

The Committee approved the loan port-folio submission as outlined in appendix 1 for submission to the SHR.

5. FINANCE POLICIES

a) Treasury Management Policy

F. Nicholl presented the Treasury Management Policy and highlighted key areas of the draft policy:

- The current policy was the standard FMD policy, which was appropriate for the size and complexity of the Co-operative.
- The SFHA issued new guidance and a template Treasury Management Policy, which has informed this review.
- It is proposed to adopt the model policy and an action plan to reflect the new guidance, specifically
 - Develop a Treasury Management Strategy, which would be aligned to the annual budget;
 - Develop a 12 month rolling cash flow forecasted for 2 years;
 - Forecast loan covenant compliance to the year end in the management account;
 - Set a limit for the interest cover covenant and minimum headroom
 - Ensure there is an internal audit of treasury management at least every 3 years;
 - Develop a risk assessment and it was suggested this is incorporated into the annual assessment of risk to inform the Corporate Risk Register, rather than have a separate risk matrix for Treasury Management.
 - The guidance suggested a review of day to day banking service every 5 years, although this was not being recommended
- The following areas of the draft Policy were discussed with Committee:
 - Page 6 – Current treasury management risk map – this would be amended to reflect the annual assessment of risk, which will include an assessment of treasury management arrangements;
 - Page 8 – Exposure – This section of the model policy details the limit on investment at based a proportion of monies investment. It was agreed this would be revised to reflect that each investment would be considered on its merits taking into account the credit rating of the banking group.
 - Page 9 – Environmental, Social and Governance Risk Considerations – It was agreed that this would be reworded to reflect the Co-operative will ‘consider’ investments based on the banking group’s E,S, G.
 - Page 17 – Deposits and withdrawals of cash. It was agreed that the threshold for delegated authority to the Finance Manager / Director would be £250k as opposed to the suggested £1m in the model policy

The Committee raised the following queries or questions in relation to the draft Treasury Management Policy:

- The Chairperson highlighted it was a very thorough review and welcomed the engagement with the Committee to discuss and set key areas of the policy.

The Committee approved the Treasury Management Policy for implementation, subject to the amendments discussed and set at the meeting

6. MANAGEMENT ACCOUNTS TO MARCH 2023

F. Nicholl, FMD presented the quarterly management accounts to March 2023 and highlighted the following:

- The management accounts were in draft format and work continued to inform the year end position and the development of the Annual Accounts to be assessed by the external auditor for sign off by the Committee and presented to members at the AGM
- The Co-operative made a surplus for the period of £344k against a budgeted surplus of £285k; This is a favourable variance of £59k;
- All financial covenants have been met;
- Cash levels at the end of the period remain healthy at £3.3m
- Under and overspends in the management accounts were highlighted to the Committee.
- The statement of the financial position showed the balance of £9.65m at 31 March 2023.
- The draft management accounts have been issued to lenders

F Nicholl provided detail on areas of spend to March 2023, and the reasons for any variance. Overall, the performance was noted as being better than budgeted for the year.

The Committee discussed the report and had the following questions / comments:

- A Committee member asked F. Nicholl if she had any concerns about the Co-operative's financial position based on the draft accounts. F. Nicholl confirmed that invoices were still being processed by the maintenance department and she had no major concerns for 2022-23. She highlighted that close monitoring of the financial position would be on-going for 2023-24 due to challenges in loan covenant compliance

The Committee noted and approved the content of the report.

F. Nicholl left the meeting

7. MAINTENANCE POLICIES

a) Aids & Adaptations Policy

The Maintenance Manager presented the draft Aids & Adaptations Policy and highlighted key areas:

- The draft policy sets out the key considerations to attend to adaptations to tenants' homes;
- It defines stage 3 adaptations, which was the adaption of the property to suit the needs of the tenant or occupants.
- It highlighted stage 1 and stage 2 adaptations, which are more related to design and construction arrangements for new developments.
- It provides the definition of Disability Discrimination Act 1995, specifically the 'medical model' of disability and associated impairments which could result in a stage 3 adaptation.

The Committee raised the following queries or questions in relation to the draft Aids & Adaptations Policy:

- A Committee member asked about the Co-operative's relationship with Occupational Therapist to inform stage 3 adaptations. The Maintenance Manager confirmed referrals are coming through and completions in 2022-23 were comparable with 2021-23, although the budget was underspent. There was discussion that tenants were experience significant waiting times to be assessed by the OT to inform the referral.
- A Committee member referred to the definition of disability, which was gender specific. This was acknowledged, but it is a direct lift from the DDA 1995.

The Committee approved the Aids & Adaptations Policy

b) Asbestos Policy

The Maintenance Manager presented the draft Asbestos Policy and highlighted key areas:

- The draft policy gives an overview of the nature of asbestos and the Co-operative's responsibilities and duties as a landlord and employer.
- Appendix1 is the Asbestos Management Plan that details;
 - how asbestos will be identified and surveys carried out e.g. voids, stock sample based on the age of the properties and surveys.
 - the scope of surveys, whether non-intrusive or intrusive for planned works

- recording of samples and surveys on a database
- arrangements for contractors to inform them to keep their employees safe.
- The Co-operative's approach is take a pro-active approach to the management, publication and awareness of asbestos in our housing stock.

The Committee raised the following queries or questions in relation to the draft Asbestos Policy:

- A Committee member asked if it was generally older properties that were affected by this policy. The Maintenance Manager confirmed that 413 out of 694 properties were not affected by this policy due to age of the properties. He gave an overview of the location of asbestos e.g. window sills, soffits, close floors, etc.

The Committee approved the Asbestos Policy

c) Dampness & Condensation Policy

The Maintenance Manager presented the draft Dampness & Condensation Policy and highlighted key areas:

- The draft policy references reports and regulatory advice in relation to dampness and condensation;
- It outlines the types of dampness and its causes and treatment of dampness and condensation
- It highlighted the key principles the Co-operative will adopt to be pro-active and identify the scale of the problem e.g. property inspections, stock condition surveys, publication, home visits by the staff team, etc

The Committee raised the following queries or questions in relation to the draft Dampness & Condensation Policy:

- A Committee member asked the Maintenance Manager if he knew how bad the problem was in the Co-operative's housing stock. He confirmed that there were reports of dampness and he has developed a risk assessment for action, which would be informed by the scale of the dampness and any medical issues in the household. He further stated that the stock condition survey and house visits would inform the scale of the problem in the Co-operative's housing stock.
- There was a discussion on the new build properties in Kildermorie, which had instances of dampness and component replacements due to rot and dampness. The Maintenance Manager highlighted this was a key area of assessment in the impending stock condition survey.
- A committee member asked how the Committee would be kept updated on dampness reports and remedial actions. The

maintenance manager will incorporate a section on dampness into his quarterly report.

The Committee approved the Dampness & Condensation Policy

8. REPORT ON RESIDENTS SATISFACTION SURVEY (RSS)

The Housing Manager presented a report on the main findings of the RSS associated with ARC satisfaction indicators and outlined the following:

- The survey was undertaken by Research Resource and they surveyed 353 tenants (50.8%) and 12 owner-occupiers (21.8%)
- The report outlines the findings from the RSS and compares this with the surveys in 2016 and 2019, as well as the average for the housing sector.
- The outcome of the RSS is positive with 92.35% overall satisfaction and other highlights included management of the neighbourhood (97.17%) and rent being value for money (89.52%)
- The areas with reduced satisfaction included quality of the home at 85.27%; and the repairs service at 79.49%;
- A comprehensive report on the full RSS with an action plan will be presented to the Committee in August 2023.

The Committee raised the following queries or questions in relation to the report on RSS

- A Committee member felt it was a positive outcome and the Co-operative was aware of areas with reduced satisfaction i.e. repairs and quality of the home.
- There was discussion about 100% of owners being satisfied with the factoring service. The Director confirmed that the owner-occupiers surveyed by the Research Resource had no recent communication or engagement with the Co-operative. He felt the satisfaction levels were high and there was on-going work to improve the factoring service.
- A Committee member asked how the Co-operative would improve the communication and engagement with tenants. The Housing Manager highlighted a range of work e.g. house visits, property inspections, residents' panel, etc to build relationships

The Housing Manager advised the Committee that Research Resource had offered to deliver a presentation to the Committee on the findings of the survey. It was agreed this should be considered for the mini-conference, which could include a discussion to inform an action plan.

The Committee noted the content of the Report

9. WELFARE REFORM ACTION PLAN AND MITIGATION PLAN

The Housing Manager presented her report and the action plan to mitigate the impact of welfare reforms on the Co-operative and its tenants. She highlighted the following:

- The Action Plan would outline the work and action to support tenants impacted by the welfare reforms.
- The major change was the creation of Universal Credit (UC) to replace legacy benefits. Many tenants have transitioned to UC, without it having a major impact on the Co-operative's arrears levels
- She referred to Welfare Reform Action/ Mitigation Plan as outlined in Appendix 1 that detailed the Issue; Mitigation and Actions and highlighted the following:
 - Risk of financial viability e.g. loss of rental income, UC
 - Bedroom Tax and mitigation through DHP
 - Benefit Cap, which is not currently an issue for the Co-operative
 - Increased rent arrears through a change in benefits, further welfare reforms and the welfare rights service, sanctions, etc
 - Wider Role activities e.g. funding to mitigate energy and food costs

The Committee raised the following queries or questions in relation to the report and action plan on Welfare Reform

- A Committee member welcomed the report and action plan with the aim to mitigate the impact of welfare reforms on the business and our tenants.

The Committee noted the content of the report.

10. REPORT ON MEMBERSHIP

The Director presented the report and sought Committee approval for the memberships issued and cancelled.

- New Shares – Member Numbers 1483
- Cancelled Shares – There were no cancelled shares
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The Committee approved the report.

11. REPORT ON THE ANNUAL REPORT ON THE CHARTER 2022-23

The Director presented the report on the Annual Report on the Charter 2022-23 for submission to the SHR by 31 May 2023. The Director referred Committee to appendix 1, which showed the performance in 2022-23 compared to 2021-22 and the average for the housing sector in 2021-22 and advised Committee on the following:

- The main highlighted included management of gas safety and anti-social behaviour, as well as tenancy sustainment levels and tenant satisfaction;
- There were areas where performance or outcomes in the year were less favourable, these included staff turnover rates, the repairs service, complaints management and an increase in void lost rent.

The Committee raised the following comments and questions in relation to the Annual Report on the Charter

- There was discussion by the Committee on the key areas of improvement, which are being progressed or within the work programme e.g. staff structure review; review of the repairs service, recommencement of the planned major repair work.
- A Committee felt it was generally a positive report and was encouraged by improvement across many areas of the service.

The Committee approved the Annual Return on the Charter 2022-23, which will be submitted to the SHR by the Director via the Regulator's portal.

15. GOVERNANCE / CORPORATE POLICIES

a) Complaints Policy

The Director presented the draft Complaints Policy and highlighted key areas and amendments in this review:

- The draft policy has been developed into the Co-operative's standard policy format;
- It distinguishes what is and is not regarded as a complaint;
- Details the complaints process with a focus to resolve complaints at the frontline within 5 days and stage 2, which is a full investigation within 20 days and the last stage before referral to the Public Sector Ombudsman
- Details how complaints against the SMT, Director or Management Committee will be attended to;
- Provides greater detail on recording, reporting and publicising complaints.

- The Director highlighted the review was timely due to the ARC performance, where there was a need for improved management, performance and ownership of complaints

The Committee raised the following queries or questions in relation to the draft Complaints Policy:

- A Committee member welcomed the new policy and confirmation of staff training to improve the management of complaints as outlined in the ARC.

The Committee approved the Complaints Policy

b) Entitlements, Payments & Benefits Policy

The Director presented the draft Entitlements, Payments & Benefits Policy and highlighted key areas and amendments in this review:

- The draft policy is based on the model policy developed by the SFHA and agreed with the SHR. The policy was last reviewed in 2018.
- A key area is the use of contractors, which illustrates the GWSF's position that Committee and staff cannot be disadvantaged and can use our contractors, but they should not use their position to seek preferential rates and compromise the governance of the Co-operative. The draft policy provides a list of contractors / suppliers and the process Committee and staff must follow.
- The Director referred Committee to appendix A and the key considerations in payments and benefits in each section of the draft policy:
 - Human resources & Recruitment
 - Our people as Tenants and Service Users
 - Attendance at training events
 - Gifts & Hospitality

The Committee approved the Entitlements, Payments & Benefits Policy

16 AUDIT & FINANCE SUB-COMMITTEE

The Director advised the Committee that the scheduled meeting of the Audit & Finance sub-Committee meeting on Monday 15 May was cancelled as it was inquorate. The Director asked the Committee to consider the following:

- a) A revised date for the Audit & Finance Sub-Committee?
- b) To Increase membership of the group to at least 5 full members to ensure future meetings were quorate? The current members were:

- A. Cushingam
- D. Barnes
- C. Harvey
- C. Cooper
- B. Hartness (Co-optee)

The Committee discussed the options to reschedule the Audit & Finance sub-Committee and membership arrangements and decided the following:

- The Committee set a date of Monday 26th June 2023 for the Audit & Finance sub-Committee;
- M. Davidson agreed to join the Audit & Finance sub-Committee through to the AGM IN September 2023

P. Waddell left the meeting and D. Barnes chaired the meeting

17. REPORT ON WIDER ROLE CONTRIBUTION TO EASTHALL RESIDENTS ASSOCIATION (ERA).

The Director presented his report on the wider role grant to Easthall Residents Association and covered the following:

- The Committee approved a budget of £25,000 for wider role services by ERA to our tenants and their families;
- ERA have submitted a proposal for wider ole services in 2022-23, which includes:
 - Homework club
 - Youth club
 - Access to the My Life, My Choices programme for residents of Easthall / Kildermorie
 - A contribution towards the Annual Xmas Fayre
- The monitoring arrangements through quarterly progress report by ERA.

The Committee raised the following questions and queries in relation to the proposed wider role contribution to ERA:

- A Committee member welcomed the Co-operative's contribution to ERA, where they provide excellent services and activities for local residents.
- A Committee member asked if we could identify the number of people from the Kildermorie community that access the services supported by the wider role contribution. The Director confirmed he will ask the Project Co-ordinator of ERA to provide this information in their monitoring reports.

The Management Committee approved the proposed wider role services by Easthall Residents Association associated with the grant award by the Co-operative.

P. Waddell re-joined the meeting and resumed the Chair of the meeting

18. CORRESPONDENCE

There was no correspondence

19. CONFIDENTIAL BUSINESS

There was no confidential business

20. ANY OTHER BUSINESS

a) New Allpay Account for Factored Owner-Occupiers

The Director advised the Committee of the review of the factoring service and discussions with Allpay to establish a new account for payment of factoring monies. Allpay have advised they require trustees 9management Committee members to complete a pro-forma to establish the account, as they lead and control the Co-operative.

The Director distributed the pro-forma and asked all members to complete and return it to Janette Meechan, Housing Manager by Friday 2 June 2023

b) The Chairperson confirmed the following reports would be deferred to the Management Committee meeting in June 2023:

- 12. Report on progress with the Succession Plan to March 2023
- 13. Report on the Operational Plan to March 2023
- 14. Report on the progress of the Annual Assurance Statement Action Plan to March 2023

c) Policy Review Schedule

A Committee member referred to the Policy Review Schedule and asked if these could be issued as separate business, which would mitigate the volume of papers for each meeting and allow members more time to read and consider policies. The Director will progress this with the SMT.

21 DATE OF NEXT MEETING

Management Committee - Wednesday 28 June 2023 at 6.30p.m. to be held in the Committee room in the Co-operative's office

Chairpersons Signature _____

Date _____