



## DRAFT MINUTES OF THE MANAGEMENT COMMITTEE MEETING

HELD ON WEDNESDAY 27<sup>th</sup> April 2022 at 6.30p.m.

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

### 1. SEDERUNT

**PRESENT:**

P Waddell (Chair), D Barnes, C Douglas, M Davidson, C Harvey, A Cushingam, J Kenna

**IN ATTENDANCE:**

K. Mollins – Interim Director; S. Flynn – Housing Manager; B. McMahon – Maintenance Manager; A. Ali – Governance & Business Improvement Manager; R. McGinlay – FMD Finance; and L. Ewart – Governance Consultant

**Apologies:**

J Gracey, G McNaught

### 20. CONFIDENTIAL BUSINESS

The Management Committee attended to confidential business.

L. Ewart left the meeting

### 2. MEETING OF THE MANAGEMENT COMMITTEE – 30 March 2022

**i) Minute**

The minutes of the Management Committee meeting on 30 March 2022 were approved by D Barnes and seconded by A Cushingam.

**Decisions by the Management Committee between 30 March 2022 - 26 April 2022:**

The minutes of decisions taken by the Management Committee between 30 March – 26 April were approved by A Cushingam and seconded by D Barnes.

**ii) Matters Arising:**

None

**iii) Master Tracker:**

The interim Director highlighted there had been good progress against key tasks on the Master Tracker.

#### Point 5 Tipper Vehicle

The Maintenance Manager confirmed the lease has been cancelled with Northgate and the Co-operative is progressing discussions with Scotland Excel and vehicle companies e.g. Arnold Clark, Iveco to purchase a new / used tipper vehicle.

#### Point 9 Finance Management Services

The Interim Director advised the contract for Finance Management Services has been published on Public Contracts Scotland with a deadline for tender submissions of 10 June 2022. The Interim Director proposed that a Procurement Panel be set to manage the tender process and report to the Management Committee. The procurement Panel was:

- Interim Director
- Housing Manager
- Member of the Committee - Paul Waddell

#### Point 10 Co-optee

The Interim Director advised that an advert for Co-opted members was published with a closing date of 9<sup>th</sup> May 2022. The Interim Director will discuss applications with the Chairperson.

The Committee noted the completion of tasks and 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 - Agenda items 16

Committee Members

- M. Davidson - Agenda Item 14 – Long Term Members Report.
- P. Waddell - Agenda Item 6 – Housing Management Reports
- C. Douglas - Agenda Item 16 – Staff

The Interim Director gave an update on Notifiable Events:

### 4. FINANCE REGULATIONS

FMD presented the draft Financial Regulations and gave an overview of the key amendments to the Policy since their last review in November 2021. Attention was drawn to the following sections:

- Section 13 – cash controls: the new regulations improve processes and controls around petty cash. Maximum float at £500 and a secondary float not exceeding £200, however, petty cash only to be used where payment not possible through other means.
- Section 29 – authorisation levels: Robust authorisation levels set for each grade point. Within those levels, authorisation would be an operational matter and approval would

not need to be sought from Committee. Spend over £50,000 would require a full tender process and authorisation by Committee.

- Section 30 – authorised signatories: Clear guidance on authorised signatories amongst staff and Committee.

The Committee raised the following comments in relation to the Draft Financial Regulations:

A Committee member highlighted that in Section 30 the office bearers' details needed to be updated in line with the recent appointment of a new Chair. It was agreed that this would be amended.

The Committee considered and approved the outlined changes to the Financial Regulations.

## 5. 5 Year Financial Plan

FMD presented the draft 5 Year Financial Plan, which formed part of the 30 Year Plan approved by the Committee in March 2022. FMD provided the following information to the Committee on the 5 Year Plan:

- Additional information in the five-year plan includes assumptions that informed the long terms plans approved by Committee.
- Costs for EESSH 2 and decarbonisation will be developed in 22/23 and regulator will be informed – currently there is no cost built in for this.

After consideration of the report, Committee approved the five-year financial plan.

**Action Point: FMD to submit the Co-operative's 5 Year Financial Projections 2022-2027 to the Scottish Housing Regulator**

R. McGinlay left the meeting

## 6. Housing Management Policies

### i) Rent Management

The Housing Manager presented the Rent Management Policy and commented on amendments and key areas of the draft policy:

- Minor changes to the policy
- Change in language for describing equalities - instead of Equal Opportunities, now described as Equality, Diversity and Inclusion
- Updated references to Universal Credit and action taken in relation to this
- Consultation on policy was carried out via website, however no feedback was received

The Committee raised the following comments or questions in relation to the draft Rent Management Policy:

- Clarification was sought on 3.3 in relation to payment of rent on 28<sup>th</sup> of each calendar month. It was clarified that rent was still due on this date even though debit raised on 1<sup>st</sup> of month
- Following comments from Committee, agreed to update policy in relation to referral to other agencies for Housing Benefit and typo to be corrected on page 9 where it should say 'this' instead of 'his'
- The Housing Manager answered a question about taking cash payments and clarified that it was generally discouraged as a method of payment
- There was a comment in relation to 6.1 about legal action. There was concern raised that some tenants may use their rent account as an 'interest free loan' whereby arrears are accrued to just before the point where legal action would be taken. Housing Manager explained that this was not an occurrence that had taken place however an addition can be made to 6.1 to cover this

Taking account of minor adjustments discussed, Committee approved the draft rent management policy.

**Action Point: Housing Manager to incorporate feedback received on draft policy**

## ii) Allocations

The Housing Manager presented the draft Common Allocations Policy and commented on amendments and key areas of the draft policy:

- Language around equalities has been updated to Equality, Diversity and Inclusion
- Wellhouse no longer part of common housing register
- References updated to Common housing allocations policy
- Update to 5.3 based on legal advice sought
- Updated 5.7 with GDPR reference

The Committee raised the following comments or questions in relation to the draft Allocations Policy:

- There was discussion around letting quotas and the common housing register. The housing manager assured Committee that they felt the common housing register was the right approach across the Easterhouse area and that it worked well.

The Committee approved the draft Common Allocations Policy.

## 7. LETTING TARGETS 2022-23

The Housing Manager presented the proposed lettings plan and outlined the proposed percentage of lets for each category of let:

➤ Group 1	Homeless	-	50%
➤ Group 2	Urgent Needs	-	10%
➤ Group 3	Overcrowded	-	10%
➤ Group 4	Unsatisfactory Housing	-	10%
➤ Group 5	Transfers	-	5%
➤ Group 6	General Needs	-	2 %
➤ Group 7	Care & Support	-	2%
➤ Group 8	Aspirational	-	7%

The Housing Manager explained that the letting targets were the same as last year's targets and provided information on performance against the targets in the previous year.

The Committee raised the following comments or questions in relation to the Letting Targets 2022-23:

- A committee member expressed disappointment at the letting targets for groups 6 and 7, they felt that young people that have grown up in the area have no hope of being housed in the area as adults, given the higher letting targets for other groups.

The Committee considered the letting targets for 2022-23 and approved this.

S. Flynn left the meeting

## 8. TERM MAINTENANCE CONTRACT

The Maintenance Manager presented an updated position on the early termination request received from the term maintenance contractor, Turner. Having negotiated further on the matter with Turner, three options were presented to Committee, with option 3 being the recommended option:

1. Easthall Park hold Turner Property Services to deliver their contractual obligations to 30<sup>th</sup> June 2023
2. Easthall Park relieve Turner Property Services of their contractual obligations and agree termination of all services by 31<sup>st</sup> July 2022, and a financial incentive of £45k paid to EHP as part of any settlement agreement
3. Or, Easthall Park relieve Turner Property Services of their contractual obligations and agree termination of all services by 30<sup>th</sup> September 2022, and a financial incentive of £20k paid to EHP as part of any settlement agreement

Committee discussed the merits of each option and gave due consideration to the time required to procure a new reactive maintenance contractor. The following points were considered in relation to each option:

Option 1 holds the risk of Turner terminating the contract at any time, leaving EHP potentially facing a lengthy and expensive legal battle, with no guarantee of success. The quality of service delivery could also be affected adversely if option 1 is adopted.

Option 2 provides the largest financial incentive to EHP however does not allow for appropriate timeframes for carrying out a comprehensive procurement exercise.

Option 3 allowed appropriate timeframes for procurement of a new reactive maintenance contractor and also provided a financial incentive to the Co-operative which would help to cover legal fees and costs for procurement.

The Committee raised the following comments in relation to the Term Maintenance Contract:

- A question was asked around whether Turner was pulling out of other social landlords or just Easthall Park. It was clarified that we were aware of at least one other social landlord that was in similar negotiations with Turner.
- On a question about Turner potentially terminating prior to 30<sup>th</sup> September under option 3, the Maintenance Manager explained that option 3 would allow sufficient time to procure another contractor and Turner would be free to leave the contract as soon as this was in place. Option 3 gives us the best opportunity and balance of risk in this scenario, nevertheless there is risk with each option on the table. The interim director advised that the corporate risk register would be updated to reflect the risks posed.
- On a question about market competition and market volatility in the current conditions, the maintenance manager clarified that capital works could potentially be included in the maintenance contract to make the contract more attractive.
- A committee member felt it would be worthwhile to negotiate a short-term contract with another contractor to mitigate against the risk of Turner terminating the contract prior to 30<sup>th</sup> September.

Following discussion, Committee agreed to approve option 3.

The Chair and Committee thanked the maintenance manager for his dedicated service over the last nine years and wished him well in their new role with another social landlord.

B. McMahon left the meeting.

## **9. CALENDAR OF COMMITTEE REPORTS**

The Governance & BI Manager presented a schedule detailing the calendar of Committee Reports for the Management Committee and the Audit & Finance sub-Committee in 2022-23. She outlined this is the main programme of work detailed through the Operational Plan 22-23 to achieve our Strategic Objectives in the Business Plan.

There will be a progress report presented to the Committee on a quarterly basis showing our progress

The Committee noted the content of the report

## 10. MEMBERSHIP REPORT

The Governance & Business Improvement Manager presented the report and sought Committee approval for the memberships issued/cancelled.

The Committee approved the report and signed the share certificate for one new member.

## 11. HEALTH & SAFETY

The Governance & BI Manager presented her report on progress in the management of health & safety in the workplace and she highlighted the following:

- Operational responsibility for workplace Health and Safety handed over to Business Improvement team, with the Business Improvement Officer appointed as the new Health and Safety administrator.
- A health and safety working group was set up in February and meets biweekly to maintain a focus on workplace H&S and to monitor progress against the H&S action plan.
- A Covid risk assessment was carried out following the decision to bring staff back to the office fully – risks were assessed to be low or standard with controls in place.
- Committee noted that the Health and Safety audit was arranged to take place in June – a progress report will be brought to Committee thereafter.

The Committee raised the following comments or questions in relation to the Health & Safety Report:

- A Committee member asked that the cut off points for gas, electricity and water in the building should be made known to all staff. Committee were assured that these points will be marked on a building plan which will soon be displayed in each area of the building for fire safety.
- Committee asked if staff infected with Covid are still required to self-isolate. The interim Director advised that the updated Covid guidance from Scottish Government is not clear on that point and guidance on this aspect is expected to be issued soon. In the meantime, any staff with Covid would be expected to isolate in the interests of others' health and safety.

The Governance & BI Manager advised the Committee that the H&S Action Plan will be updated following the audit in June and presented to Management Committee in August 2022 with a progress report.

The Committee noted the content of the report and approved the Action Plan for implementation.

## 12. Governance Policies

### i) Dignity at Work

The Interim Director presented the draft policy which outlined the zero-tolerance approach to incidences of harassment, bullying and intimidation in the workplace. He gave a brief overview of the policy which had minor amendments and was last approved by the Management Committee in January 2019

On consideration of the report and draft policy, the Committee decision was to approve the Dignity at Work Policy.

### ii) Risk Management Policy

The Interim Director advised the Committee that the Co-operative had received a positive response from our Internal Auditors, T.I.A.A in their follow-up audit on Risk Management.

The Interim Director advised Committee that draft policy had made significant changes to the existing policy, which took account of the findings of the internal audit and good practice in the sector. He advised that that there was greater information on:

- o Roles and responsibilities of key stakeholders in the risk process;
- o Step by step process from identification of risk through to assurance arrangements;
- o Arrangements for training
- o How risk management was integral to our internal control systems

The Committee raised the following comments or questions in relation to the draft Risk Management Policy.

- A Committee member highlighted an amendment to 'Green risks' section in step 4 of the Risk Management Framework.
- There was discussion on Committee training and development in Risk Management. The Interim Director advised that the Committee will see regular progress reports on risk, which will support their development. He also advised that training will be arranged for the Committee in 2022-23 programme and Committee will have greater involvement in the risk process to inform the Corporate Risk Register e.g. scoring risks.

The Committee decision was to approve the Risk Management Policy for implementation

## 13. STRATEGIC OPTIONS APPRAISAL

The Interim Director gave an update on the Strategic Options Appraisal (SOA):

- The SOA was tendered on 28 February through a quick quote to approved companies and consultants with a deadline for tenders being 1 April 2022
- There were 3 tender submissions for the contract



- The Procurement Panel attended to the assessment of tenders and a report was presented to Panel to inform their decision to appoint Arneil Johnston
- A pre-start meeting with Arneil Johnston is scheduled for Thursday 5 May 2022.

The Interim director presented the Management Committee with a copy of the minute of the Procurement Panel's meeting to assess the report from the tender process and appoint Arneil Johnston.

The minute of the meeting was proposed by D. Barnes and seconded by Arneil Johnston.

The Interim Director advised the Committee that Arneil Johnston would likely wish to meet them at an early stage in the SOA process, which would be established at the pre-start meeting.

The Committee discussed the SOA and timescales for its completion. The Interim Director outlined Arneil Johnston proposed process, which included an inception meeting, desktop analysis, financial health check, engagement with key stakeholders, options appraisal and presentation of the final report by 1 July 2022. The Interim Director advised the key stages would be undertaken in the next 6 weeks and would require the MC to meet with Arneil Johnston.

The Committee noted the content of the report.

M. Davidson left the meeting

#### **14. REPORT ON LONG TERM MEMBER**

The Interim Director presented a report prepared by SE Training and advised the Committee in accordance with the Regulatory Framework and the Association's Rules, long term Committee members with 9 or more years' consecutive service must demonstrate their continued effectiveness to stand for re-election at the AGM.

The Interim Director advised that the Management Committee had to decide whether long term member, M. Davidson continued to be effective, which would be assessed through the member's attendance, training and development; and them demonstrating their objectivity, challenge and effectiveness in the role.

The Interim Director presented details of the members' attendance, training and development and an overview of their application on their continued effectiveness.

The Committee had the following comments or questions in relation to the long-term members report

- The Committee felt the assessment of the long-term member's effectiveness was excessive. The Interim Director advised the process was robust and undertaken by a well-established consultant in the sector and was required to demonstrate full compliance with the Regulatory Framework and the Co-operative's Rules. The Interim Director will discuss the Committee's comments with SE Training.

The Management Committee agreed M. Davidson continued to be effective in her role and would be able to stand for re-election at the AGM in September 2022.

M. Davidson re-joined the meeting

## 15. PROCUREMENT – DESIGN & PRINT SERVICES

The Governance & Bi Manager presented her report on the tender to appoint a company for design & print services for the Co-operative. The Committee was provided with the following information associated with the tender process:

- Design and print services were procured via Scotland Excel, which had ten suppliers on its framework for such services
- Whilst it is disappointing that only one supplier bid in the mini competition, the bid was considered to be robust in terms of price and quality
- Upon comparison with the current supplier, Barr printers offered better value for money and delivered some savings
- The evaluation process was explained to Committee and the bid was looked at in some detail
- Samples of design and print work from Barr were provided to the Committee for review

The Committee asked if the current local supplier for design and print services had quoted for the work. It was explained that the current supplier had not as they were not on Scotland Excel's framework and that the suppliers on the framework tended to be larger organisations that deliver larger contracts to local authorities. There was some discussion around the standards of design from the current supplier, and upon examination of the samples provided by Barr, it was agreed that the design quality from Barr was superior. Committee felt that more consideration should be given to local suppliers when the contract is next reviewed.

Upon consideration, Committee gave approval to award a two-year contract to Barr Printers on a 2 +1 +1 basis, dependent on performance. It was also agreed that after two years, consideration be given to any local suppliers that might be able to provide design and print services at comparable standards for quality and price.

A. Ali and C Douglas left the meeting.

## 16. STAFF SALARY INCREASE 2022-23

The Interim director presented his report on the staff salary increase 2022-23. He confirmed that he submitted the Co-operative's response to EVH's ballot of Members, which closed on 20 April 2022. The outcome of the ballot was:

- 91% of full member organisation responded to the ballot
- 89.6% of organisations that responded were in favour of the proposed 4.1% increase to staff salaries for 2022-23

The Interim Director advised the Committee that EVH had updated their staff salary structure for full members, which would extend to the Co-operative.

The Committee had the following comments or questions in relation to the staff salary increase 2022-23.

- A Committee member spoke about the balance of an increase to staff due to the increased cost of living and the impact on tenants with a 4.95% increase and the needs of business. The Interim Director referred to his report and his research on salary increases across the public and private sector, where the proposed increase of 4.1% was generally comparable.

The Committee noted the content of the Report and agreed to the 4.1% increase in staff salaries.

C Douglas re-joined the meeting

## **17. REPORT ON MAINTENANCE MANAGER'S POST**

The Interim Director presented his report on the vacant Maintenance Manager's position, which provides the Management Committee with options to fill the post. He advised the Committee he had been successful in making a temporary appointment of an experienced Maintenance Manager initially for 4 weeks to cover the Maintenance Manager's position when vacant on 10 May 2022. This appointment was approved by the Officer Bearers and allowed the Committee time to consider their options as listed in the report.

The Interim Director advised the Committee they should take account of the following to inform their decision:

- Impending key strategic tasks that may impact on the organisation's strategic direction and staff structure e.g. Strategic Options Appraisal and the staff Structure Review
- The options to fill the post, which are as listed in section 2.5 of the report
- The costs of each option on whether the post was directly advertised; the continued use of Peace Recruitment relating to the current temporary appointment; recruitment through EVH's temporary register or other recruitment agencies on an hourly / daily rate arrangement

The Committee raised the following comments and questions on the Maintenance Manager's Post 2022-23

- A Committee member was pleased that we had been able to secure the services of an experienced Maintenance Manager to ensure continuity in the management and leadership of the maintenance service following the departure of B. McMahon.
- There was discussion on the options and process for the recruitment of a maintenance manager, in particular whether the post should be temporary or permanent; and the duration of a temporary contract

The Committee decided that the Maintenance Manager's position should be temporary for a further 6 months, which would allow them to review the situation following completion of the SOA. The Interim Director would undertake a process to identify other potential candidates for the role both internally in the Co-operative and externally through recruitment agencies.

## 18. CORRESPONDENCE

### a) Scottish Housing Regulator (SHR)

The Interim Director referred to communication with the SHR, where he outlined progress as follows:

- Interim Director's remit, which was also discussed at his progress meeting with the Chairperson on 14 April 2022;
- Strategic Options Appraisal;
- Finance Management Services;
- Committee Succession Plan, in particular recruitment of a co-optee; and
- Other matters of interest i.e. Maintenance Term contract

The Interim Director advised the Committee that he will provide progress reports to the SHR on a monthly basis as per the terms of the Engagement Plan.

The Committee noted the content of the report

## 20. ANY OTHER BUSINESS

### i) 30<sup>th</sup> Anniversary Celebrations

The Interim Director advised the Committee that 2022 was the Co-operative's 30<sup>th</sup> anniversary and there was a suggestion to hold a summer gala day to celebrate the anniversary. He is keen to establish a working group of Committee and staff members to discuss the Gala Day. He advised that A. Gilbert, ERA had agreed to support the Working Group.

The following Committee members volunteered for the working group, which will be held in mid May 2022:

- D. Barnes

The Committee agreed to a budget of £10k to fund the proposed Summer Gala Day and other costs associated with the 30<sup>th</sup> anniversary year celebrations.

### ii) Committee Expenses

A Committee member asked whether mileage costs should be increased for Committee members attending conferences etc due to the significant increase in fuel costs. The Interim Director confirmed that the mileage allowance was £0.45 per mile and was set by HMRC to stay within taxable limits.



There was no other business

**21. DATE OF NEXT COMMITTEE MEETING**

Management Committee - Wednesday 25 May 2022 at 6.30pm to be held in the Committee room in the Co-operative's office

Audit & Finance sub-Committee Tuesday 17 May 2022 at 6.30p.m. to be held in the Committee room in the Co-operative's office