



## **DRAFT MINUTES OF THE MANAGEMENT COMMITTEE MEETING**

**HELD ON WEDNESDAY 26 APRIL 2023 at 6.30p.m.**

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

### **1. SEDERUNT**

**PRESENT:** D. Barnes (Chaired the Meeting), A. Cushingham, C. Cooper, G. McNaught, D. McNulty  
B. Hartness (Co-optee)  
P. Waddell and M. Davidson attended via Zoom

**IN ATTENDANCE:**

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

**Apologies:** C. Douglas (Co-optee)

**Leave of absence:** J. Gracey

The Chairperson advised the Committee that the format of the agenda would change, Housing Management and Maintenance reports would be taken first, which would leave time for finance, governance and confidential business.

### **2. MEETING OF THE MANAGEMENT COMMITTEE**

#### **a) 22 February 2023**

##### **i) Minute – Confidential Business**

The 'confidential business' from the minutes of the Management Committee meeting on 22 February 2023 was approved by A. Cushingham and seconded by P. Waddell.

##### **ii) Matters Arising:**

There were no matters arising

### **3. MEETING OF THE MANAGEMENT COMMITTEE**

#### **b) 29 March 2023**

##### **i) Minute**

The minutes of the Management Committee meeting on 29 March 2023 were approved by A. Cushingham and seconded by D. Barnes.



**ii) Matters Arising:**

There were no other matters arising

**b) Master Tracker**

The Director presented the progress report on the Master Tracker from the meeting in March 2023 and advised there had been good progress with achievement of many tasks on the Master Tracker. He referred to the following:

- Review of Insurance – There would be no material saving in the insurance premiums for 2023-24 by increasing the excess from £250 to £500 or £1000.
- There were other on-going tasks: the report on our Duty to Co-operate; and the report on the Co-operative's approach to dampness and mould.
- Gas Maintenance Contract – The Maintenance Manager advised that the terms of the gas contract resulted in an uplift in accordance with Building Cost Information Service (BCIS). He confirmed that the uplift was [REDACTED] to extend the contract in 2023-24 and there was a [REDACTED] uplift from 2021-22. He proposed that the contract be extended to 31 March 2024 and an assessment of the market is undertaken in the year to inform either re-tendering or extending the contract to March 2025.

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 why this cost uplift was not presented to the Committee with sufficient time prior to the new financial year to inform the options. The Maintenance Manager confirmed the uplift was based on cost analysis of materials and labour in the construction sector at December and reported in April by the RICS. He reaffirmed that this was a legacy issue in the contract and it is more beneficial to the client to align the contract to RPI.

The Committee agreed to extend the gas servicing and maintenance contract to 31 March 2024.

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

**4. 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 13 – Staff Structure Review
- Item 16 – Confidential Business



Committee Members - There are seen to be no Committee with a declaration of interest.

Notifiable Events - The Director advised there were 2 on-going notifiable events.

## **9. HOUSING MANAGEMENT POLICIES**

### **a) Factoring Policy**

The Housing Manager presented the draft Factoring Policy and highlighted key areas of the draft policy:

- Policy aims and objectives
- Legislation and compliance
- Key activities e.g. Written Statement of Services, repairs to common areas. Management and administration of services, provision of building insurance cover and claims; accounting and invoicing; and debt recovery.
- The role as Property Factor
- Complaints

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

- There was discussion on the quality of the service to owners. The Housing Manager outlined the improvement in the factoring service and on-going work associated with the Written Statement of Services, the implementation of the new factoring module, invoicing and arrears recovery  
The Committee welcomed the work undertaken by staff to improve a key area of the business.

The Committee approved the Factoring Policy for implementation

J. Meechan left the meeting

## **6. MAINTENANCE QUARTERLY REPORT TO DECEMBER 2022**

The Maintenance Manager presented his quarterly performance and progress report on the maintenance service and highlighted the following:

- The maintenance service has been affected by the change in contract arrangements following the termination of Turners' contract, as well as staff movements.
- The Maintenance Manager has been covering the maintenance officer's role in recent months



- There have been a number of major repair issues to be attended in the last 6 months.
- The report provides an average cost assessment of current Contractors compared to Turners, which is favourable.
- There have been design team meetings in relation to the Verandah Project and a report will be presented to the Committee on the options for the design and ventilation.
- The Estates Team continue to provide a quality service and he gave the Committee a few examples of their work and efforts

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

- A Committee member asked the reason there was no progress with planned major repairs? The Committee were reminded that re-active maintenance was the key priority and to establish a network of contractors following the tender of the maintenance contract, which included planned maintenance repairs in 2022
- A Committee member asked if the Co-operative had filled the Property Officer's post? The Committee were advised that Steven McCrory commenced with the Co-operative on 24 April 2023.
- There was discussion on the management of contractors due to current timescales. The Maintenance Manager advised it has been a challenging period with new contractors, reduced staffing in maintenance team and the level of capacity of contractors. He advised the Committee that the quality of work of contractors was very good.
- There was a query in relation the figures in the tables, specifically in the number of completed by contractors and overall. The Maintenance Manager advised that he had only listed the main contractors' work orders.

The Committee noted the content of the report.

## **7. MAINTENANCE POLICIES**

### **a) Maintenance Policy**

The Maintenance Manager presented the draft Factoring Maintenance Policy and highlighted key areas and amendments in this review:

- An overview of the key aims and objectives of the draft Policy;
- Compliance with legal and regulatory requirements

- Achieve the Strategic Objective to ‘Provide quality homes in an attractive environment’
- Landlord and tenant responsibilities
- Change of terminology from ‘non-emergencies’ to ‘urgent’ and routine, which would be undertaken in 4 and 10 days, respectively.

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

- A Committee member welcomed the change in terminology, where the use of urgent and routine would be clearer for tenants

The Committee approved the Maintenance Policy for implementation

## **8. REPORT ON MAINTENANCE CONTRACTORS 2023-24**

The Maintenance Manager presented his report on the maintenance contractors for 2023-24. He advised Committee the report included the main contractors and suppliers of maintenance works and services, which covered key information on their work, contract and insurance arrangements. The Maintenance Manager highlighted the following:

- The appendix details the main contractors in the delivery of re-active and cyclical repairs.
- It detailed contract arrangements i.e. the value of the contract, appointment and tender arrangements.
- It outlined administrative arrangements associated with key information on or management of contracts:
  - provision of insurance documentation
  - Certification of employees
  - Signed code of conduct; and
  - provision of health & safety documents
- He highlighted there were gaps in the provision of information and outlined arrangements to gather this information through liaison meetings, tendering arrangements, and the annual review of contractors.

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

- A Committee member asked if the Co-operative had a Contractors Code of Conduct and if progress to gather this information could be provided to the Committee. The Maintenance Manager acknowledged there was a Contractors Code of Conduct and progress would be provided through his quarterly report

- There was an amendment to section 3.6 – Planned Major Repairs, where it should read, ‘The Co-operative has not undertaken any planned major repairs since pre-covid in 2019-20’

The Committee noted the content of the Report

## 5. DEPOSITING CASH RESERVES IN HIGH INTEREST ACCOUNTS

F. Nicholl presented her report on depositing cash reserves into a high interest account. She highlighted the following:

- The Management Committee were agreeable to the Audit & Finance Sub-Committee’s recommendation to deposit further cash reserves into a high interest account.
- The Co-operative deposited £1m with the Bank of Scotland on a one year term in October 2022 to October 2023. It is proposed that the Co-operative review deposits every 6 months
- Interest rates to deposit £1m in a high interest account for 1 year to May 2024 were secured. It is recommended that the Co-operative deposit the cash reserves with Santander who had the highest interest rate of 4.5%, which would generate £45k in interest.
- It was highlighted that the Co-operative has £600k in 3 notice accounts with Nationwide and Royal Bank of Scotland with interest of 2.5% and 1.4%, respectively.

The Committee raised the following queries or questions in relation to the report to deposit cash reserves in high interest account.

- There was discussion on the level of monies being deposited and a Committee asked would this impact on running the business. F. Nicholl advised that there was good provision of monies to cover key activities in the annual budget, although the money in the notice accounts could be accessed, if required. She further stated that the depositing of cash reserves had been staggered every 6 months, therefore limiting the period to access money.
- A Committee member highlighted that the timescales associated with tendering and arrangements for planned major repairs would mitigate the period to the expiry date for the money deposited with the Bank of Scotland in September 2023.

The Committee were agreeable to deposit £1m with the Santander on 4.5% interest rate to May 2024..

.F. Nicholl and M. Finnie left the meeting.



### **13. STAFF STRUCTURE REVIEW**

The Committee assessed the Director's report on the review of the Co-operative's staff structure.

This section of the minute has been redacted due to the discussion being confidential.

The Committee gave the draft structure their 'in principle' agreement to inform formal consultation with the staff team, subject to agreed amendments. The Director will present a follow-up report on report on the provision of services.

### **10. REPORT ON MEMBERSHIP**

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

- New Shares – Member Numbers 1481 and 1482
- Cancelled Shares – Member Numbers 1361, 1180
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The Committee approved the report.

### **11. COMMITTEE SUCCESSION PLAN**

The Director presented the Committee Succession Plan 2023-24, which is a key requirement within the Housing Regulator's Regulatory Framework. The Plan is based on the Committee Performance Reviews 2022 and includes an Action plan focussed on the following key objectives:

- i) Committee skills, knowledge and behaviours;
- ii) Committee's representation with the community they serve;
- iii) Committee's need to undertake appropriate learning and development; and
- iv) The requirement to raise their profile of the Committee in the community.

The Succession Plan has 2 appendices, they are;

- i. An Action Plan from the Committee Performance Review Report prepared by Stuart Eglinton.  
The Plan has 11 key actions to attend to the 31 recommendations in the Performance Review Report, which relate to training and development, HR matters, period of strategic review, governance arrangements i.e. succession arrangements, format of Committee meetings nine-year rule; community engagement; and future plans

- ii. The Committee Training Plan 2022-23  
The Plan outlines training for new and existing members to improve members' skills and knowledge to perform their role

The Committee raised the following comments and questions in relation to the Committee Succession Plan

- The Chair reminded the Committee of the dates for the Committee mini-conference between Friday 29 September and 1 October 2023 and highlighted the importance of maximum attendance.
- The Chair also asked for volunteers to meet to set the programme for the mini-conference. A. Cushingam, P. Waddell and D. Barnes will meet with the Director.

The Committee approved the Committee Succession Plan 22-23 and appended Action / Training Plans for implementation.

## **12. FULLY MUTUAL STATUS / REBRANDING OF THE CO-OPERATIVE**

The Director presented his report on the review of the Co-operative's Fully Mutual Status to become a charitable housing association and the rebranding of the organisation. He highlighted the following:

- The review of the fully mutual status was recommended by Arneil Johnston in the strategic options appraisal completed in July as an option to improve governance;
- A presentation by TC Young Solicitors in January 2023 reaffirmed the benefits of becoming a housing association to improve governance. As well as the opportunity to secure charitable status for financial benefits.
- The Committee agreed to progress the review of the fully mutual status to become a charitable housing association at their meeting in February 2022.
- To become a charitable housing association it requires a change of Rules to the SFHA Charitable Model Rules (Scotland) 2022.
- The report includes the new model rules, which have been tracked against the Co-operative's current Rules. The report also provides details on the benefits of the change and a summary of the main changes to the Rules.
- There was a poor return to the information / consultation booklet, although respondents were positive to become a charitable housing association.
- The Committee wanted to consider rebranding the Co-operative to a new name to reflect they serve the Easthall and Kildermorie communities.
- There was a very low return to consultation exercise and the findings were as listed



- 64.6% were agreeable with the Management Committee they should rebrand the Co-operative;
- 54.8% were agreeable with the proposal to change the name as the Co-operative serves both Easthall / Kildermorie.
- Appendix 3 provides respondents' comments in relation to the rebranding of the Co-operative
- The report details the respondents and staff members' views for a new name for the Co-operative

The Director outlined the next steps to become a charitable housing association and rebranding exercise, whilst highlighting key considerations and risks.

The Committee raised the following queries or questions in relation to the report to become a charitable housing association and rebranding exercise:

- There was discussion on the re-branding of the Co-operative, in particular the low response from the community to a key issue.
- The Director advised the Committee of the need for 2 resolutions at the Special General Meeting, firstly to seek agreement to become a charitable housing association, where the name would be Easthall Park Housing Association and secondly on the name change within the rebranding.
- A Committee member proposed that the rebranding be deferred as the key priority was to become a charitable housing association. There could be further discussions with the community on a name change in 2023-24 to inform a SGM at later date.

The Committee decisions were as listed:

- To agree to adopt the SFHA Charitable Model Rules (Scotland) 2020 to become a charitable housing association, which would be the first resolution to members at the SGM in September 2023
- To note the next steps to register with OSCR, seek agreement from the lenders and convene a SGM in September 2023
- To defer the rebranding of the Co-operative and in particular a name change to allow for more engagement with the community.

## 14. GOVERNANCE POLICIES

### a) Severance & Settlement Agreement Policy

The Director presented the draft Severance & Settlement Agreement Policy and highlighted key areas and amendments in this review:

- The draft policy outlined when severance and settlement agreements will be considered and how they will be managed;
- The content of the Agreement and key considerations (justifiable, value for money and proportionate);
- The conditions to any payment (specific employment matters, costs to the Co-operative e.g. management time, legal costs, and limit to non-contractual payment.
- Other considerations (confidentiality clauses, references, recovery of costs)
- Conclusion and sign-off of Settlement Agreements (approval by the MC, notifiable events, legal advice and payments.
- The Director advised he took advice from Blackadders to inform the review of Settlement & severance Agreement Policy

The Committee approved the draft Severance and settlement Policy for implementation

### b) Best Value Policy

The Director presented the draft Best Value Policy and highlighted the following:

- The draft policy is a new policy in the Co-operative and aligns with our Strategic Objective to achieve 'best value for money'.
- It outlines key principles and objectives referred to as the 4 Cs, they are to challenge, compare, consult and Compete
- It sets out legislative and regulatory provisions associated with best value;
- It details key drivers and characteristics of best value
- It outlines how the organisation intends to deliver the policy.
- A key feature was to develop a Best Value Working Group to develop an action plan, which would be held in Q3 of 2023-24. Thereafter, a report will be issued to the Committee on the Plan with progress reports on a 6 monthly basis.

The Committee approved the draft Severance and Settlement Policy for implementation



## 15. CORRESPONDENCE

The Director distributed EVH's annual accounts and report for their AGM scheduled for 19 May 2023 during day 1 of their annual conference at Dunblane between 19-21 May 2023.

## 16. CONFIDENTIAL BUSINESS

a) Draft minute of the Staff Structure Review Sub-Committee held on 7 April 2023.

i) Minute

The minutes of the Staff Structure Review Sub-Committee were for information only

ii) Matters Arising

- A Committee member asked for the date of the next scheduled meeting of the Staff Structure Review Sub-Committee. The Director advised a meeting would be held following the end of the consultation period on the draft structure, which would run from 3 May to 9 June 2023.

There were no other matters arising from the minute of the meeting

## 17. ANY OTHER BUSINESS

a) EVH Annual Conference

A Committee member expressed an interest in attending the annual conference. It was agreed that any members interested in attending should contact the Director or Business Improvement Officer by Friday 28 April. The Director provided details on the Committee Training Budget 2023-24 and advised the Committee there were now limited spaces for EVH's conference.

## 18 DATE OF NEXT MEETING

Management Committee - Wednesday 31 May 2023 at 6.30p.m. to be held in the Committee room in the Co-operative's office

Chairpersons Signature \_\_\_\_\_

Date \_\_\_\_\_