



CATHCART & DISTRICT HOUSING ASSOCIATION LTD

MINUTES OF THE FULL COMMITTEE OF MANAGEMENT MEETING HELD ON TUESDAY 18 OCTOBER 2022 AT 6.30 PM IN THE ASSOCIATION'S OFFICES AT 3-5 RHANNAN ROAD

PRESENT:

Committee Member	Attended	Apologies
Alastair Penney (Chair)	✓	
Marion McMillan (Vice Chair)	✓	
Chris Carr (Treasurer)	✓	
Sue Harper (<i>Leave of Absence</i>)		
Bruce Strathearn	✓	
Valerie Kyle (<i>Leave of Absence</i>)		
Betty Carter	✓	
Trudi Tokarczyk		✓
Gamal Haddou	✓	
Patricia Crockett	✓	
Teresa Gallagher		✓
Lesley Dunan	✓	

IN ATTENDANCE:

Staff Member	Attended	Apologies
Christine Leitch (Secy)	✓	
Lorraine Glasgow	✓	
Grahame Cairns	✓	
Emma Connelly	✓	
Paul McNeill	✓	

Attendance 80%

Item No.	Issue	Action by
1.0	Apologies, Declarations of Interest & Notifiable Events	
1.1	Apologies were received from TG and TT.	
1.2	There were no declarations of interest, but Christine noted a declaration of interests form was given out to each member for completion.	
1.3	There were no notifiable events to report.	
2.0	Election of Office Bearers	
2.1	Christine sought the election of the Office Bearers prior to business starting. Chairperson: She advised that MM has served as Chair for five consecutive years and is required to stand down as per the rules of the Association, and the Committee will have to elect a new Chairperson going forward. Christine noted we have received a nomination for AP and AP has agreed to stand. She asked if there were any other nominations for Chairperson.	

	<p>None were received. MM proposed AP for the position of Chairperson, and this was seconded by PC. AP accepted the position.</p> <p>Vice Chairperson: Christine explained MM has offered to stand as Vice Chairperson and asked if there were any other nominations. None were received. AP proposed MM for the position of Vice Chairperson, and this was seconded by GH. MM accepted the position.</p> <p>Treasurer: Christine asked CC if he would like to stand again as Treasurer. She then asked if there were any other nominations. None were received. BC proposed CC for the position of Treasurer, and this was seconded by GH. CC accepted the position.</p> <p>Secretary: Christine offered to stand as Secretary and asked if there were any other nominations. None were received. LD proposed CL for the position of Secretary, and this was seconded by CC. Christine accepted the position.</p> <p>Following these elections, AP then assumed the role of Chairperson for the meeting.</p>	
3.0	Election of Sub Committees	
3.1	<p>The following Committee members would be on the Finance & Audit Sub Committee: CC, MM, BS, and GH.</p> <p>As SH and VK were not present, they would be asked if they would like to join the Finance & Audit Sub Committee at a later date.</p> <p>Chairperson: Christine asked CC if he would be happy to continue with the position of Chairperson. CC accepted the position.</p>	
3.2	Christine explained that historically, it would be the Office Bearers who would be on the Staffing Sub Committee.	
4.0	Minutes of the Full Committee of Management Meeting 16 August 2022	
4.1	The minutes of the Management Committee meeting held on 16 th August 2022 were proposed for approval by BS and seconded by MM.	
5.0	Matters Arising	
5.1	<p>AP asked if there were any matters arising. Christine referred to item 10.4 Stock Valuation Report and explained there was a chart in the report on page 196 of the papers. CC had questioned why the chart did not show stock older than the 1950s. Christine confirmed that this page was referring to the work at which time had been done to the properties, for example, it was assumed since the 1950s there would have been improvements done to the stock transfer properties.</p> <p>She clarified this page was not referring to when the properties were built, but when they had been improved and the 1950s was taken as the earliest time for valuation purposes.</p> <p>BS asked if there was any further update on the fuel advisor Suzanne had mentioned in her report. Christine detailed she does not have an update but Suzanne has applied for funding so this would be a funded position if successful.</p>	
5.2	<p>Follow Up Actions Report</p> <p>Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p>	

	<p>9.3 Tenant Consultation Paper Grahame updated the questions in the tenant consultation paper, and this was sent out with the autumn newsletter.</p> <p>10.2 Business Plan The Business Plan was amended and has been uploaded to our website. Brexit and inflation were taken out of threats and put into weaknesses. The SWOT table was also updated and changed to note that there is a lack of diversity on the Committee.</p>	
6.0	Minutes of the Finance & Audit Sub Committee Meeting 23 August 2022	
6.1	The minutes of the Finance & Audit Sub Committee meeting held on 23 rd August 2022 were proposed for approval by CC and seconded by GH.	
7.0	Matters Arising	
7.1	AP asked if there were any matters arising. Christine referred to item 10.2 and explained GH asked for a demonstration of our housing management system. She has contacted (name redacted) and he will carry out a demonstration at the (date redacted) meeting on Zoom.	
7.2	<p>Follow-Up Actions Report Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p> <p>4.1 Development Report A walkaround of our stock will be arranged with the Committee once the weather is better.</p> <p>5.1 Regulatory Compliance Final Report Following CC's suggestion, Emma has amended the regulatory compliance final review report to read as "it was evident at the beginning".</p> <p>10.3 Internal Audit Plan Christine has contacted the internal auditors and allocations have been swapped with staffing.</p>	
8.0	Finance	
8.1	<p>Finance Report Lorraine provided an overview of the Finance Report and covered the bank reconciliation, transfers, and regular payments. She noted we paid valuation (number redacted) to (company redacted) for (address redacted). We also received (figure redacted) in HAG for (address redacted) and (figure redacted) from (company redacted) for the close painting contract that was aborted.</p> <p>Lorraine reported there is (amount redacted) in the deposit account and there is a separate account of (amount redacted) which matures in (date redacted). The bank will let us know what the interest is in (date redacted). She detailed (number redacted) invoice payment run was done in (date redacted) due to staff holidays, but contractors and suppliers were still paid on time.</p>	
8.2	<p>Factoring Arrears Report Lorraine summarised the factoring arrears report and reasoned the difference in the balance this year compared to the previous year.</p> <p>Lorraine then provided an update on the arrears cases. AP asked what a commercial owner is. Christine advised a commercial unit is a shop and the shop forms part of the tenement which is confirmed in the title deeds.</p>	

	GH referred to the factoring arrears chart and suggested removing the total owners as this distorts the other figures. Lorraine proposed to make this change.	LG
9.0	Directors Report	
9.1	<p>Regulatory Christine informed the Committee that we have received further feedback from the SHR in relation to their engagement with us. The Director's report includes the content of her email and what their reply was. She mentioned that we would be looking at our financial plans given the current climate and the SHR confirmed they are not looking for anything else at the moment.</p> <p>Christine advised we are trying to progress with the EICRs programme as quickly as possible and have two contractors working on this. If this is achieved before the end of (date redacted), she will ask the Regulator if they can reassess their engagement with us. Non compliance with the EICRs is included in the assurance statement.</p>	
9.2	<p>Strategic Review (Name redacted) and (name redacted) have completed the strategic review and Paul will be attending tonight's meeting to discuss the draft report.</p>	
9.3	<p>Staff Appraisals Christine explained the staff appraisals have now all been completed with feedback recorded and the training plan which emanated from this exercise is attached for noting.</p>	
9.4	<p>Development Section redacted due to commercial sensitivity.</p>	
9.5	<p>IT Christine advised we have transferred our (system redacted) to (solution redacted).</p> <p>Christine updated the Committee that we were successful in our cyber essentials application. GH highlighted our biggest risk is if our Wi-Fi goes down.</p> <p><i>Paul McNeill joined the meeting at 7 pm.</i></p>	
9.6	<p>Maintenance Christine expressed the maintenance department is very well organised with the files located for all areas in the shared drive. Sandra is doing a handover with Hayley to take over the gas servicing and training will be organised for Hayley on gas maintenance.</p> <p>GH asked about the meters in (address redacted). Christine explained there was a gas installation contract for (address redacted) and at the end of the contract, it was closed down by (companies redacted), however, there were some flats that did not have gas installed. Grahame confirmed the problem is that (company redacted) is no longer working, and we have encountered difficulties in sourcing another contractor to complete the works. Christine advised that (company redacted) will not take on the project as they did not carry out the installation. GH asked why the properties were missed in the first place. Christine confirmed this was due to a lack of management.</p>	

9.7	Landlord Compliance Hayley is now managing landlord compliance and is focusing on the EICRs. Christine informed the Committee that the programme is around (figure redacted) complete. The auditors will carry out an internal audit on landlord compliance in (date redacted) which will add further assurance to the work carried out this year.	
9.8	Strategic Review Draft Report Paul reported that the entire sector is facing major challenges and we are in an economic environment where inflation and interest rates are increasing, there is the threat of rent freezes, and the cost of energy has gone up quite dramatically. He noted all these things will have a negative effect on cashflow, and operating surplus and can affect covenant compliance. This does not just apply to CDHA but affects the whole sector. Paul recommended that there is a need to reset the business plan and CDHA did not quite meet the mark with our assumptions for inflation and interest rates. He did a report for (organisation redacted) which looked at other associations 5-year financial projections and no one got this right. Paul expressed it is difficult to predict that inflation was going to go up to 11%. He indicated that we will have to start thinking about what the rent increase will be for next year. Paul highlighted in the report that CDHA has recently completed a stock condition survey and the average investment spend is (amount redacted) per unit over 30 years which is quite low in the current market. Paul suggested to Christine and Grahame that they should go back and check this again. He also suggested that any aspirations for new build projects should be put on hold as the cost of new build is rising quite significantly. He recommended that it is safer to sit back on major repair programmes and new build projects. Paul spoke to all staff and feels a reset is needed after Covid and some staff appear to be reluctant to return full-time to the office. Paul confirmed there is a need for improvement, but senior management is aware of these issues and taking steps to address them. Some staff thought communication within the office could improve and Paul feels there are too many closed doors within the organisation and not a lot of mixing between the departments. Paul has had a look at our business plan and confirmed we do have the support of the bank who thinks it is viable, however, he recommends that we go back and check that all the assumptions are valid. He then referred to the governance report and noted good progress has been made in addressing all of the points. Paul asked if anyone had any questions on the report. GH wondered if the accountants go with real case scenarios. Paul expressed it is impossible to come up with an inflation assumption in this current environment and has had discussions with some lenders about having a 1-year business plan. He explained looking back on the knowledge we have now we know the assumptions in the business plan needs to change. Paul detailed that from the (organisation redacted) exercise, some organisations are way off the mark. Christine added she has had discussions with Fettes, and he has been looking at the business plan and has been running through different assumptions.	

She reported with regards to planned maintenance, our maintenance officer is going out and looking at kitchens etc flagged up in the stock condition survey and seeing if any of those can be rolled over. For close painting, we have added a new category of 'dire'. Christine advised close painting is something that arguably can be rolled over as this does not affect health and safety, however, we do not want to let standards slip.

Christine feels we should still do some planned maintenance as we have to offer tenants something as being the reason why for the rent increase. Paul highlighted one of the biggest landlords, **(organisation redacted)** had plans for major kitchens this year, but they have completely reduced the number, and this is happening across Scotland. He noted the number of new build projects is reducing too.

GH asked Paul if he thinks any housing associations could potentially go under. Paul explained he has not seen any business plans that are working just now. CC asked if other RSLs have a responsibility to help if another association was to go under. Paul advised when acquiring housing stock, there is a transfer of liabilities and there could be some associations where the liabilities are far too great. He commented there is no chance of doing net zero without a substantial amount of grants from the government.

Christine advised a meeting was held with the bank today and all these issues were discussed. They are comfortable with our performance at present and asked us to talk to them if we think we are going to breach covenants. Paul explained we need to speak to everyone involved in this process and let them know of any challenges.

Christine explained the Scottish Government has said we cannot have a rent increase until after March but they are listening to the RSLs and we are being encouraged to do our consultations so it is highly likely it won't include the RSLs, however, they might put a cap on how much of a rent increase we can do.

Paul McNeill left the meeting at 7.25 pm.

9.9

Staffing

Section redacted due to confidential information.

9.10

Accountancy

Christine reiterated that she, Lorraine, and Fettes met with our relationship manager and her assistant from the bank today. They spoke about where CDHA is at, regulatory engagement, development, and maintenance. Fettes provided a discussion on the business plan and looked at different scenarios and he is fairly comfortable. The relationship manager explained they have introduced a new product which is a green loan for those who want to go forward with any retrofit. Christine informed them there is no real guidance yet and there is no specification or grant funding.

9.11

Flats Proposal

Section redacted due to commercial sensitivity.

9.12	<p>Scottish Government Rent Freeze</p> <p>Christine confirmed that tonight isn't about the rent consultation or deciding on the rent increase. She has attached the documents for information purposes following the rent freeze announcement. GWSF has taken up the case and written to First Minister, Nicola Surgeon. The Scottish Government will announce on 14th January 2023 and have encouraged housing associations to still consult with their tenants and be in a position to go forward with a rent increase. GWSF has started collecting information on what housing associations are proposing for the rent increase, and at the moment the highest increase mentioned is <i>(figure redacted)</i>.</p> <p>Christine explained that the Management Committee agreed to increase the rents of our smaller flats by <i>(figure redacted)</i> over the general increase for <i>(number redacted)</i> years to bring them into line with the Scottish average. These flats could have an increase of <i>(figure redacted)</i> if there is no rent cap. She commented that another housing association is in a similar situation to us with a rent restructure and they have sought legal advice.</p> <p>Christine advised that she would prepare a more detailed report and we can get the rent consultation underway unless a new directive comes out before then.</p>	
9.13	<p>Appendix 2 – Staff Appraisal Process Report <i>Section redacted due to confidential information.</i></p>	
9.14	<p>Appendix 5 – Modern Apprenticeship <i>Section redacted due to confidential information.</i></p>	
10.0	<p>Annual Assurance Statement</p>	
10.1	<p>Christine has prepared a draft assurance statement which is required to be signed by the Chairperson and submitted to the SHR once approved by the Committee.</p> <p>She detailed we have an evidence bank that is continuously updated and includes committee reports, internal audit reports, appraisal reports, training plans, GDPR plans etc. Christine highlighted this is available for anyone to look at to gain assurance. Emma has shared the link with Committee. She noted an email was sent out with the papers asking if anyone would like to see anything in particular. Christine advised we can demonstrate the evidence base through screen share at any point.</p> <p>Christine explained the assurance statement highlights non compliance with the EICRs but there is an action plan in place. She then asked if anyone had any questions or comments. GH suggested spelling out some of the acronyms as this is going out to the public. Christine agreed to make this change.</p> <p>The Annual Assurance Statement 2022 was proposed for approval by GH and seconded by BS.</p>	CL
11.0	<p>Housing Management</p>	
11.1	<p>Management Performance Report</p> <p>Grahame provided an overview of the Management Performance Report.</p> <p>Grahame advised that the total current arrears figure for <i>(month redacted)</i> was reduced from <i>(percentage redacted)</i> to <i>(percentage redacted)</i> and the figure for <i>(month redacted)</i> was reduced from <i>(percentage redacted)</i> to</p>	

	<p>(percentage redacted). He pointed out we served (number redacted) NOP's prior to the Scottish Government's emergency legislation on preventing evictions.</p> <p>Grahame referred to 1.4 void rent loss and highlighted this does not include properties that are 'held for maintenance'. He advised we are discussing with our accountants on how best to capture this information. Grahame then asked the Committee what their thoughts were. GH explained the auditors mentioned the voids last year and asked if the 20 days is arbitrary. Grahame confirmed this is in the ARC and we must highlight that these are major repairs.</p> <p>Grahame expressed concern that his and the accountant's figures are different, and we are looking for a way that will not affect the system or ARC reporting. Christine advised the way around this is to turn voids around quicker which is something we are working on. She mentioned the 20-day voids should be a small group. Christine explained the finance consultant prefers reporting on the total rent receivable if all flats were let would be X, whereas we are saying there is no rent going to apply for ARC purposes. She suggested if we can narrow the long-term voids down to a few, we could do a manual calculation to show the rent loss against those properties.</p> <p>GH commented that this sounds better and mentioned the accounting standards would only allow us to exclude the rent charge and/or void aspect if a property has been put aside for capital improvement works. He confirmed The finance consultant is correct in saying that we should still show the rent and the void loss. GH advised for the ARC; we would need an excel calculation subsequently. GH then suggested he, Christine, and Grahame arrange a meeting to discuss presentations. He expressed he would like our reporting to tie into budgets, figures, and accounts.</p> <p>Grahame reported we carried out a data-cleansing exercise and removed (number redacted) applications from the system. He referred to customer service and complaints and explained the housing management system is being used more effectively and information is being accurately recorded. Staff training on the system was provided and SPSO training has been scheduled. A rota has been put in place for estate inspections.</p>	
12.0	A.O.C.B	
12.1	<p>Data Protection Quarterly Report</p> <p>Emma advised we had a data protection compliance audit carried out and one of the recommendations was to share reports with the Committee in respect of data protection. She reported we are working through the rest of the recommendations.</p> <p>Emma then provided an overview of the report and noted we received (number redacted) freedom of information requests and (number redacted) subject access requests for the reporting period (period redacted). Emma summarised the highlights completed during this period and the planned activities for the next period.</p>	
12.2	<p>Annual Pension Statement</p> <p>Lorraine reported that the accountants completed the annual statement, and this was sent to the (company redacted). Christine confirmed everything is fine with the pension and our risk category is low.</p>	

12.3	<p>Policy Review Before the undernoted policies were approved, an overview was given of each one. Christine advised that some of the policies were sent out in advance of the papers and asked if anyone had anything they would like to raise.</p>	
12.3.1	<p>Stress Management Policy Christine explained this is a new policy put in place. If any member of staff comes forward with any stress issues, they will be asked to complete the employee stress questionnaire.</p>	
12.3.2	<p>Staff Appraisal Policy CC pointed out that the business plan date should be changed. Christine proposed this would be updated.</p> <p>GH asked if the Staffing Sub Committee receive an overview report on staff appraisals. Christine detailed the report that went out with the papers is the only report, but she can add this to the staffing report which has been requested already.</p>	<p>EC</p> <p>CL</p>
12.3.3	<p>Cyber Incident Response Plan Emma advised the cyber incident response plan was a recommendation from the IT Audit and she has taken this template from the Scottish Government's website and amended this to reflect CDHA. Our It Support Provider has looked over the policy and confirmed it is all fine and incredibly detailed. CC asked if the contact details on page 183 need to be updated. This was noted.</p>	
12.3.4	<p>Legionella Management Policy Grahame advised his contact at (<i>company redacted</i>) provided him with a template which he has amended to reflect good practice. He confirmed we have the landlord manual which would also suffice, but he thought it would be a good idea to have a policy in place following the work undertaken on landlord compliance.</p>	
12.3.5	<p>Value for Money Policy Grahame pointed out he has made minor amendments such as updating figures.</p>	
12.3.6	<p>CCTV Policy Emma advised this policy was a recommendation arising from the data compliance audit and our data protection officer provided us with the template.</p> <p>The policies were proposed for approval by CC and BS.</p>	
12.4	<p>Charity Donation Marion explained in the past we have given charitable contributions and the (<i>organisation redacted</i>) is a food bank that is run by (<i>organisation's redacted</i>) and they have people queuing from 7.30 am although it opens at 10 am.</p> <p>The Charity did a presentation at the GWSF conference and said any contributions would be gratefully received. The Committee agreed on donating to the charity and Christine pointed out that the Committee needs to agree on an amount. LD asked if it is a one-off payment and Christine confirmed it is.</p>	

<p>12.5</p> <p>12.6</p>	<p>GH asked if we have a donations budget. Christine explained we do not have a donations budget but in the past, we have provided books to children etc, and donated to ad hoc charities.</p> <p>GH asked the Committee if they thought <i>(figure redacted)</i> was reasonable. The Committee agreed on donating <i>(figure redacted)</i>.</p> <p>Garden Maintenance <i>Section redacted due to commercial sensitivity.</i></p> <p>Confidential Matter GH and AP asked if staff members could leave the meeting as they had a confidential matter that they would like to discuss with the Management Committee.</p> <p><i>Grahame and Emma left the meeting at 8.20 pm.</i></p>	<p>LG</p>
<p>13.0</p>	<p>Date of Next Meeting</p>	
<p>13.1</p>	<p>The next Management Committee meeting will be held on 15th November 2022 at 6.30 pm.</p> <p>There being no further business, the meeting closed at 8.30 pm.</p>	