



CATHCART & DISTRICT HOUSING ASSOCIATION LTD

MINUTES OF THE FULL COMMITTEE OF MANAGEMENT MEETING HELD ON TUESDAY 19 DECEMBER 2023 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	✓	
Bruce Strathearn	✓	
Betty Carter	✓	
Trudi Tokarczyk		✓
Gamal Haddou	✓	
Patricia Crockett	✓	
Lesley Dunan	✓	
Albert Wright		✓

Attendance 82%

IN ATTENDANCE:

Staff Member	Attended	Apologies
Christine Leitch	✓	
Lorraine Glasgow	✓	
Grahame Cairns	✓	
Emma Connelly	✓	
Fettes McDonald (Zoom) (Items 1-2)	✓	

Item No.	Issue	Action By
1.0	Apologies, Declarations of Interest & Notifiable Events	
1.1	Apologies were received from TT and AW.	
1.2	There were no declarations of interest.	
1.3	There were no notifiable events to report.	
2.0	Draft Annual Budget 2024/25	
2.1	Fettes provided an overview of the draft annual budget for 2024/25. He explained the final budget will be presented to the Committee before the start of the next financial year.	
2.1.1	Page 1 – Budgeted Statement of Comprehensive Income Fettes noted that income is █████ and running costs are █████, therefore, there is an operating surplus of approx. █████ which is approx. █████ down from the previous year.	

	<p>Interest income assumes [REDACTED] on deposit all year and it is assumed that the Bank of England base rate remains at [REDACTED] for loan interest payments, however, the rates may drop during 2024/25.</p> <p>There is a budgeted surplus of [REDACTED] which is down from the previous year, however, the previous year includes the gain on disposal of [REDACTED] for the properties sold at [REDACTED].</p>	
2.1.2	<p>Page 2 – Budgeted Income and Expenditure from Lettings Fettes reported that rental income is assumed to rise to [REDACTED] and a two-apartment rent rise of [REDACTED]. Voids are assumed at [REDACTED] and so are bad debts.</p> <p>There is an [REDACTED] increase in reactive maintenance costs compared to the previous year, however, Fettes expressed that the ratio on page 9 is still reasonably ok compared with peers.</p> <p>He highlighted that non-housing activity is at the bottom of the page and includes factoring income and costs, and wider action costs. Wider action costs of approx. [REDACTED] includes the welfare rights costs and [REDACTED] of other direct costs.</p>	
2.1.3	<p>Page 2a – Budget Assumptions 2024/25 Fette pointed out that there is a summary breakdown of the various categories in day-to-day repairs in terms of reactive maintenance, cyclical maintenance, medical adaptations, etc.</p> <p>Fettes noted there are no non-component major repairs in the budget. He advised that we may want to put in some sort of contingency in the final budget.</p>	
2.1.4	<p>Page 3 – Budgeted Statement of Financial Position Fettes explained cash in the bank is just under [REDACTED] and this assumes that any grant does not have to be repaid on the sold properties. If the grant is required to be paid, this drops to [REDACTED]–[REDACTED]. He detailed the Association continues to pay off the capital on the loans, and loan debt is projected from [REDACTED] to [REDACTED].</p> <p>The pension deficit is sitting at [REDACTED] which is the figure from the year-end accounts. Fettes advised that we would get an update on the valuation at some point which will determine if the pension deficit payments must start up again.</p>	
2.1.5	<p>Page 3a – Balance Sheet Assumptions Fettes reported that note 1 details the various changes that have been made to the projected outturns for 2023/24. The surplus is estimated to come down to approx. [REDACTED] which is the figure in the September Management Accounts. The main issue is the expected repair costs from [REDACTED].</p> <p>Note 2 highlights that just under [REDACTED] is assumed for component replacement.</p> <p>There are costs included for [REDACTED], [REDACTED], and [REDACTED]. Fettes advised he sent over ballpark standalone 30-year costs for [REDACTED]. He emphasised that it all comes down to tender costs and how much grant can be claimed.</p> <p>Note 3 notes any other fixed assets such as IT, furniture, fittings, etc. This includes a general provision of [REDACTED].</p>	

2.1.6	<p>Page 4 – Budgeted Management Expenses</p> <p>Fettes explained that we are assuming a [REDACTED] wage increase, and staff services are much the same as the previous year which includes costs for housing, welfare rights, finance and development, etc.</p> <p>The biggest items under estate costs are the repair charges and non-cash property depreciation. Housing insurance was in at [REDACTED] and is now projected at [REDACTED]. Fettes reported that all RSLs have suffered a massive increase in premiums down to the insurance market at present.</p> <p>Fettes detailed that [REDACTED] is at the low end and [REDACTED] is at the high end for total overheads (excluding depreciation) as a proportion of income. He noted the Association’s overheads as a proportion of income is sitting at [REDACTED] so it is at the higher end. He expressed it is worthwhile having a look to see if there is anything that does not need to be provided for. Office overheads are approx. [REDACTED] up from the previous year.</p>	
2.1.7	<p>Page 9 – Financial Performance Analysis 2024/25</p> <p>Fettes explained that rent arrears are heading in the right direction and are coming down each quarter. It is assumed they are still at a fairly high level, however, this can be revisited in the final budget.</p>	
2.1.8	<p>Page 10 – Covenants Analysis 2024/25</p> <p>Fettes highlighted there is headroom of just over [REDACTED] before the covenants would be breached.</p>	
2.1.9	<p>Questions</p> <p>Fettes asked if anyone had any questions or comments.</p> <p>SH asked what the wider action costs include. Fettes confirmed this includes welfare rights costs and [REDACTED] is provided for the [REDACTED] anti-social agreement. Christine added this is [REDACTED] and the neighbour noise team who assist us with any anti-social behaviour and there is a service level agreement in place with them. She explained they have been very helpful with ASB and neighbour disputes as they have access to police reports and social work.</p> <p>SH then asked what kitchen wrapping is. GH confirmed this is a material that is used to wrap doors and finishes off the kitchen units. He commented it adds 10 years to the life of a kitchen. Christine explained if the unit is still stable, the skeleton is left, and the company wraps the units, so it is a newly covered kitchen door instead of replacing the kitchen. The Association has received good feedback, and this is much more economical and adds 10 years to the stock condition survey. GH also mentioned sustainability.</p> <p>GH pointed out that there is a comparison to this year's budget, but because this year's budget does not include a few items that were omitted, he asked if the comparison could be against this year's forecast. Fettes confirmed we can add this to the final budget.</p> <p>The draft annual budget 2024/25 was proposed for approval by Sue Harper and seconded by Gamal Haddou.</p> <p><i>Fettes McDonald left the meeting at 6.50 pm.</i></p>	FM

3.0	Minutes of the Full Committee of Management Meeting 21 November 2023	
3.1	The minutes of the Management Committee meeting held on 21 st November 2023 were proposed for approval by CC and seconded by MM.	
4.0	Matters Arising	
4.1	<p>SH asked what Window Wanderland is. MM explained this is a window display project that the Mount Florida Community Council has successfully run for the past 3-4 years. She added that residents decorate their windows and people walk past to see all the different displays. It was noted the Cathcart Community Council is running the project in Cathcart in February 2024.</p> <p>GH referred to section 10.4 and requested that this be changed to a more generic term. Emma confirmed this change has been made.</p> <p>Christine explained the end of section 11.1 has been changed to “it was noted that refreshments would be served as it was the pre-Christmas meeting”.</p>	
5.0	Minutes of the Finance & Audit Sub Committee Meeting 28 November 2023	
	The minutes of the Finance & Audit Sub Committee meeting held on 28 th November 2023 were proposed for approval by SH and seconded by GH.	
6.0	Matters Arising	
6.1	SH referred to section 5.5 and advised there is a word missing. Emma confirmed she would amend this.	EC
7.0	Finance	
7.1	<p>Finance Report</p> <p>Lorraine provided an overview of the finance report and covered the bank reconciliation, transfers, and regular payments. She highlighted that there were a few factoring and rent refunds.</p> <p>Lorraine reported that we received █████ for an insurance claim and one of the hotel stays will be claimed back on our insurance. We also received █████ for stage 3 adaptations. There is not a lot of funding left for stage 3 adaptations and we have requested extra. Lorraine spoke to our Development Consultant, and he thinks there will be no issues with claiming extra funding.</p> <p>CC referred to the franking machine charges and mentioned █████ and █████. Christine explained we have increased our email usage and send letters by email where possible. She added we do continually try and get email addresses for our tenants. CC explained that █████ does printing and posting. Christine advised this could be explored.</p> <p>Lorraine noted there were █████ invoice runs during the month. SH asked who █████ are. Christine confirmed they did the rot repairs for █████.</p>	CL
7.2	<p>Factoring Arrears Report</p> <p>Lorraine summarised the factoring arrears report and highlighted that the balance at the end of the month was similar to last year.</p> <p>She explained that the last lot of factoring bills were sent out at the end of █████, and we are at the stage of adding █████ late payment charges. The cases will then be referred to █████ if payment has still not been received. Approx. █████ owners have been issued with a late payment charge and █████ have been referred to █████.</p> <p>Lorraine then provided an update on the serious arrears cases.</p>	

8.0	Directors Report	
8.1	<p>Regulatory Christine confirmed there are no engagement issues with the SHR. Our Regulation Manager [REDACTED] has now retired, and our new manager is [REDACTED].</p>	
8.2	<p>Governance Matters Christine advised that she and 4 committee members attended the GWSF annual conference on Friday 1st December. She expressed they held interesting workshops and had a mixture of good speakers. PC commented this was the first conference she had attended, and she found it interesting and enjoyable.</p>	
8.3	<p>Staffing Christine informed the Committee that the Staffing Sub Committee met on [REDACTED]th [REDACTED] and a report will be provided on the content in due course.</p>	
8.4	<p>Development <i>Section redacted due to commercial sensitivity.</i></p>	
8.5	<p>Maintenance <i>Section redacted due to commercial sensitivity.</i></p>	
8.6	<p>Garden Maintenance <i>Section redacted due to commercial sensitivity.</i></p>	
8.7	<p>ARC Audit Christine explained [REDACTED] carried out the mid-year review of the ARC and recognised we have done a lot of work since her visit last year.</p> <p>There were a few things picked up as a result of the audit and Jonathan has taken lots of notes and will change some of the procedures. Christine expressed we will be in a good position for our ARC to be taken straight off the system in March.</p> <p>BS mentioned the emergency repairs showing as [REDACTED] minutes. Grahame advised this was an issue with [REDACTED] which has been flagged up.</p>	
9.0	Rent Arrears Report	
9.1	<p>Grahame provided an overview of the rent arrears report. He highlighted that the arrears are slowly coming down.</p> <p>There was a question at the last meeting where Grahame was not in attendance, and some committee members asked why a tenancy was ending with [REDACTED] of arrears. Grahame explained when pressure is starting to be applied by the Association and we are telling a tenant they will be taken to court etc, occasionally a tenant may choose to end their tenancy.</p> <p>Grahame informed the Committee that he forgot to add in the technical arrears at 1.2. This figure should be [REDACTED] rather than [REDACTED].</p> <p>He advised that gross arrears are [REDACTED] which is taken from the ARC report. This figure includes former tenant arrears plus former tenant arrears that have been written off. He explained it takes 1 year for the write-offs to drop off the report so this figure will be lower in [REDACTED].</p>	

	MM pointed out that tenants with arrears under █████ have increased. Grahame explained this is a timing issue with benefits.	
10.0	Rent Increase Consultation Paper	
10.1	<p>Christine asked the Committee if everyone had the chance to read through the rent increase consultation paper. She pointed out it is similar to the one that was sent out last year. The return date has been amended and Emma has added a QR code to the form.</p> <p>Christine asked GH to elaborate on what he meant about option 3 as the consultation only has 2 options. GH explained he meant having a third option which is blank to see what comments come back. Christine advised there is a comments box at the end of the return sheet.</p> <p>BS commented that the paper explains things well, but it is a lot of words that some people might not read. He added that one organisation he knows of is short and punchy and has a lot of graphics. Christine asked BS if he could send her the consultation paper.</p> <p>It was agreed the rent consultation paper would be reviewed next year but this year will remain the same, except for adding a third option.</p> <p>The Rent Consultation Paper for 2024/25 was proposed for approval by GH and seconded by SH.</p>	CL
11.0	Policy Review	
11.1	Before the undernoted policies were approved, an overview was given of each one.	
11.1.1	<p>Remote and Hybrid Working Policy</p> <p>Christine explained this policy relates to our working practices concerning remote and hybrid working which has been updated as a result of working during Covid.</p> <p>SH mentioned that some text in the DSE risk assessment is in red. CC pointed out the colour of the text is related to the arrows in the images. BS pointed out an error in section 9.1, third paragraph which should read as with no notice. Christine confirmed this would be changed.</p> <p>The Remote and Hybrid Working Policy was proposed for approval by PC and seconded by CC.</p>	
11.1.2	<p>Flexi Time and TOIL Policy</p> <p>Christine explained this policy relates to how flexitime and TOIL arrangements are managed in the office.</p> <p>GH asked if the Association operates a staff clocking-in and out system. Christine confirmed staff clock in and out on their laptops using █████ which is a time and attendance management system. GH then asked if managers look at this periodically. Christine confirmed senior staff look at this regularly and this is how holidays are managed too. Lorraine added that █████ provides a report at the year end.</p> <p>The Flexi Time and TOIL Policy was proposed for approval by LD and seconded by GH.</p>	

11.1.3	<p>Payment Card Policy Emma explained the Payment Card Policy was a template provided by ██████ regarding PCI DSS compliance which is an information security standard designed to protect cardholder data. ██████ from ██████ has reviewed the policy and updated section 11. He also advised that section 15 seems to be generic and is not relevant to CDHA.</p> <p>The Payment Card Policy was proposed for approval by SH and seconded by MM.</p>	
12.0	Membership	
12.1	<i>Section redacted due to commercial sensitivity.</i>	
13.0	A.O.C.B	
13.1	<p>Risk Management Training Emma reminded the Committee that the Risk Management training has been booked for ██████ ██████ at ██████.</p> <p>GH asked who the trainer was. Emma confirmed this is booked through ██████ and the trainer is ██████.</p>	
13.2	<p>Committee and Staff Night Out SH asked about the arrangements for the committee and staff night out.</p> <p>The Committee agreed on holding the night out at ██████ with a provisional date of ██████ ██████. Christine explained she would confirm the booking with the ██████ tomorrow.</p>	CL
14.0	Date of Next Meeting	
14.1	<p>The next Management Committee meeting will be held on 16th January 2024 at 6.30 pm.</p> <p>There being no further business, the meeting closed at 8.00 pm.</p>	