



# **CATHCART & DISTRICT HOUSING ASSOCIATION** **LTD**

## **MINUTES OF THE FULL COMMITTEE OF MANAGEMENT MEETING** **HELD ON TUESDAY 20 DECEMBER 2022 AT 6.30 PM** **IN THE ASSOCIATION'S OFFICES** **AT 3-5 RHANNAN ROAD**

### **PRESENT:**

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

### **IN ATTENDANCE:**

<b>Staff Member</b>	<b>Attended</b>	<b>Apologies</b>
Christine Leitch (Secy)	✓	
Lorraine Glasgow	✓	
Grahame Cairns	✓	
Emma Connelly	✓	
Cameron Boyd (Zoom)	✓	
Fettes McDonald (Zoom)	✓	

Attendance 100%

<b>Item No.</b>	<b>Issue</b>	<b>Action by</b>
<b>1.0</b>	<b>Apologies, Declarations of Interest &amp; Notifiable Events</b>	
1.1	No apologies were received.	
1.2	There were no declarations of interest.	
1.3	There were no notifiable events to report.	
<b>2.0</b>	<b>Assurance Review of Duty of Care</b>	
2.1	Cameron explained that the internal auditors carried out an assurance review of duty of care covering asbestos, electrical safety, fire safety, gas safety, and legionella. He then provided an overview of the report.  <i>Section redacted due to confidentiality.</i>  <i>Cameron Boyd left the meeting at 6.40 pm.</i>	
<b>3.0</b>	<b>Draft Budget 2023/24</b>	
3.1	Fettes highlighted this is the draft budget and a final version will come to the Committee before the end of March. He then provided an overview of the draft budget for 2023/24.	

The budgeted statement of comprehensive income is the day-to-day income less day-to-day running costs. Fettes noted the figures on the right-hand side are the current year's budget and the figures on the left-hand side are the draft figures for 2023/24.

Fettes pointed out that turnover less operating costs gives an operating surplus of **(figure redacted)** for 2023/24. He explained interest receipts are up from the current year and is based on a deposit of **(figure redacted)** which is on just now at a rate of **(figure redacted)**. Whilst interest receivable is up, there is a big increase in interest payments but there is no increase in debt. Fettes explained the reason for the higher loan interest payments is the assumed higher interest rates. The Bank of England base rate has gone up and we are assuming a rate of **(figure redacted)** throughout 2023/24.

Fettes referred to the gain/loss on disposal of **(figure redacted)** which is an assumption that there are **(number redacted)** properties sold. He noted there is a surplus for the year of **(figure redacted)**. Fettes detailed budgeted income and expenditure from lettings on page 2 refers to housing activity and budgeted income and expenditure from other activities refers to non-housing activity. He advised rental income for 2023/24 is **(figure redacted)** and this assumes there will be a **(figure redacted)** increase on the majority of stock and **(number redacted)** apartments are assumed at a higher increase of **(figure redacted)** just now. We are waiting on the announcement from the Scottish Government on the rent cap.

Fettes expressed the void rents are at a fairly high level and part of the reason is that the properties at **(address redacted)** are assumed as being vacant for the whole year. Bad debts are assumed at a level of **(figure redacted)** of the gross rents.

Fettes referred to the budgeted statement of financial position and noted as at 31 March 2024, cash in the bank is estimated at **(figure redacted)** and loan debt is estimated at **(figure redacted)**. He highlighted on page 3a, item 1 notes the changes and adjustments in the expected opening position. Item 2 notes **(figure redacted)** for component replacements and item 3 is based on Andy's best estimate of spend on developments of **(figure redacted)**.

Page 4 details the day-to-day running costs. Fettes highlighted staff services cost is up and this is based on an assumption that housing and maintenance posts are external as opposed to salaried posts. Insurance of the housing stock is included under estate costs, and it is expected to be a large increase.

Page 8 is the cash flow statement indicating the estimated cash in the bank at each month's end and is largely in line with the major repairs programme and any development items. Fettes confirmed there are no issues with the loan covenant compliance and there is headroom of around **(figure redacted)** in interest cover covenant.

Fettes asked if there were any questions or comments on the draft budget.

BS referred to **(figure redacted)** component replacement and asked if this is concealed in some of the reactive, planned, and cyclical figures. GH noted there is a breakdown of this on page 3a. BS asked where this is in the remaining figures. Fettes confirmed this goes into land and buildings in the balance sheet and does not go through the income and expenditure account.

	<p>GH advised this is the financial reporting standard and that we will see it in the cash flows but not in the statement. BS asked if this includes the one-off kitchens etc. Grahame confirmed this is in component replacements.</p> <p>GH asked how this compares to our stock condition survey. Grahame confirmed this figure has been lifted from the stock condition survey.</p> <p>GH referred to the ratios tab and explained that the proposed budget for reactive maintenance costs is lower than in previous years although costs are increasing. Fetes explained that historically there were a number of spend areas that were cyclical maintenance or major repairs and were put into the reactive maintenance heading. As a result, things have been distorted slightly in prior years. He confirmed there has been fair discussion throughout the year on what is going where and the accountants are happy enough with the spend. GH commented it would be good to see what this year is looking like and that our forecast for this year should be something similar to the budget that we have proposed. Christine mentioned that going forward this is what we are projecting, and we will see this on the quarterly reports. Fettes explained the budgeted figure at the end of September was just under <b>(figure redacted)</b> and the actual figure was <b>(figure redacted)</b> over that so we are there or thereabouts for the budgeted figure.</p> <p>The draft annual budget was proposed for approval by SH and seconded by GH.</p> <p><i>Fettes McDonald left the meeting at 6.55 pm.</i></p>	
<b>4.0</b>	<b>Minutes of the Full Committee of Management Meeting 15 November 2022</b>	
4.1	The minutes of the Management Committee meeting held on 15 <sup>th</sup> November 2022 were proposed for approval by SH and seconded by MM.	
<b>5.0</b>	<b>Matters Arising</b>	
5.1	<p>AP asked if there were any matters arising. Christine detailed that the Staffing Sub Committee held a meeting on <b>(date redacted)</b> and GH would provide an update at the end of this meeting.</p> <p>She then provided an update on item 5.3.3 <b>(address redacted)</b>.</p>	
5.2	<p><b>Follow Up Actions Report</b></p> <p>Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p> <p>5.5 Maintenance Christine sent out the tender documents for the <b>(service redacted)</b> contract to the Committee.</p> <p>6.1 Rent Increase Consultation Paper The figure for the 4 apartments was amended and the text has been reduced. The paper was marketed as minus inflation.</p> <p>8.1.1 Allocations Policy We have removed mention of the right to buy.</p>	
<b>6.0</b>	<b>Minutes of the Finance &amp; Audit Sub Committee Meeting 22 November 2022</b>	
6.1	The minutes of the Finance and Audit Sub Committee meeting held on 22 <sup>nd</sup> November 2022 were proposed for approval by CC and seconded by MM.	

<b>7.0</b>	<b>Matters Arising</b>	
7.1	SH explained she saw in the budget workings that the average rent of a lockup is <b>(amount redacted)</b> per month but there is <b>(number redacted)</b> at <b>(address redacted)</b> that is <b>(amount redacted)</b> . Christine confirmed this is not a standard lockup and is more of a store/garage.	
<b>8.0</b>	<b>Finance</b>	
8.1	<p><b>Finance Report</b></p> <p>Lorraine provided an overview of the Finance Report and covered the bank reconciliation, transfers, and regular payments. She noted we paid valuation <b>(number redacted)</b> to <b>(Company redacted)</b> for <b>(address redacted)</b> and received <b>(figure redacted)</b> in HAG.</p> <p>Lorraine highlighted there were <b>(number redacted)</b> disruption allowances of <b>(figure redacted)</b> paid to tenants who have agreed to move out so the Association can sell their properties. Christine explained there is a statutory right for a home loss and disturbance payment.</p> <p>Lorraine noted there were <b>(figure redacted)</b> invoice payment runs in <b>(month redacted)</b>.</p> <p>CC asked who <b>(company redacted)</b> are. Christine confirmed this is <b>(name redacted)</b> who carried out the strategic review.</p>	
8.2	<p><b>Factoring Arrears Report</b></p> <p>Lorraine summarised the factoring arrears report. She noted there are arrears of <b>(figure redacted)</b> but these have gone down and she assumes by the end of this month the figure will be less than the previous year.</p> <p>Lorraine then provided an update on the arrears cases.</p>	
<b>9.0</b>	<b>Directors Report</b>	
9.1	<p><b>Regulatory</b></p> <p>Christine explained our Regulation Manager has been in touch about the engagement statement and he is happy to put us back to compliant in line with the landlord compliance work, however, they are proposing to keep an area about <b>(item redacted)</b>. The Committee then discussed this further.</p> <p>Christine asked if they can take out the paragraph in italics and we are happy to do a review of our <b>(area redacted)</b> policies and treat this as staff training/normal business process. We are waiting on them to come back to us.</p> <p>Emma mentioned some <b>(area redacted)</b> policies are coming up for review in January and asked if these should be put on hold. Christine expressed she is comfortable the policies are fit for purpose as <b>(Company redacted)</b> reviewed these a few years ago.</p>	
9.2	<p><b>Governance Matters</b></p> <p>Christine explained she, MM, and Emma attended the Corporate Governance Conference, and it was a good opportunity to share ideas and working practices with other organisations. She noted there is a lot of long-term sickness since returning to work following the pandemic.</p>	
9.3	<p><b>Development</b></p> <p><b>Section redacted due to commercial sensitivity.</b></p>	

9.4	<b>IT</b> <i>Section redacted due to cyber security.</i>	
9.5	<b>Maintenance</b> The <i>(service redacted)</i> tender is now on <i>(website redacted)</i> . BS asked if we have received any notices of interest. Grahame confirmed they are in double figures.	
9.6	<b>Landlord Compliance</b> Christine informed the EICR's programme is <i>(figure redacted)</i> complete. Grahame explained the internal auditors missed that landlord compliance was an item in the director's report. Christine noted that landlord compliance will be added to the quarterly report, so it is a regular item.	
9.7	<b>Accountancy</b> Christine has been looking into some areas to save some money. She explained we have been paying <i>(Company redacted)</i> to <i>(service redacted)</i> and feels we can cut back on this. The Committee agreed to cancel the contract. Emma proposed she would contact <i>(Company redacted)</i> to relinquish the service.  Christine has been keeping up to date with <i>(organisation redacted)</i> on whether GCC intends to put a charge on housing associations dumping bulk. GCC has said to date that they appreciate what housing associations are doing, but they feel that contractor waste is being dumped for free. She expressed our contractors take their waste away.	EC
9.8	<b>Flats Proposal</b> <i>Section redacted due to confidentiality.</i>	
9.9	<b>Rent Consultation</b> The rent consultation has been sent out to all tenants. Christine expressed most tenants have been going for <i>(percentage redacted)</i> . Emma confirmed we have received <i>(number redacted)</i> responses so far and <i>(percentage redacted)</i> of the replies have gone for the <i>(percentage redacted)</i> option.  Christine advised the Committee will decide on the rent increase at the January meeting. <i>(Organisation redacted)</i> is in continual discussion with the Scottish Government on the rent cap.	
9.10	<b>Wage Ballot 2023/24</b> <i>Section redacted due to confidentiality.</i>	
9.11	<b>Member Protect</b> <i>Section redacted due to commercial sensitivity.</i>	
9.12	<b>Directors Work Priorities</b> GH asked if we could add to the directors' work priorities to finalise or complete the action plan. Christine confirmed she would make this a priority when we come back from the Christmas holidays.	
<b>10.0</b>	<b>Housing Management</b>	
10.1	<b>Management Performance Report</b> Grahame provided an overview of the Management Performance Report.	

	<p>Grahame pointed out there have been staff shortages and the improvements he was hoping to happen have not taken place. There has been a lot of focus on maintenance over the last <b>(number redacted)</b> weeks and having to work with temporary staff, we need to bed them in.</p> <p>Rent arrears have gone down slightly and Grahame has looked at the top <b>(figure redacted)</b> rent arrears cases for everything above <b>(figure redacted)</b>. There are <b>(figure redacted)</b> cases with agreements and <b>(figure redacted)</b> without. TT expressed it is a horrible time of the year to chase people, but we still need to do it. Grahame has been including the welfare rights officers in emails with the housing officers.</p> <p>Grahame reported that void rent loss is <b>(figure redacted)</b> and does not include the long-term voids that are held for maintenance/major repairs. He highlighted we are very close to the target of <b>(figure redacted)</b>. SGN is prioritising and responding to gas leaks at this time of year rather than assisting us with <b>(address redacted)</b>. He added the properties for the decanted tenants of <b>(address redacted)</b> will be coming back and we should not have much work to do.</p> <p>Grahame advised we carried out tenant consultation on the Complaints Policy and there has been a slight increase in the number of complaints. He noted the number of <b>(area redacted)</b> complaints has reduced. Estate management visits are now focused on the internals of closes rather than external matters owing to the seasonal change.</p>	
<b>11.0</b>	<b>A.O.C.B</b>	
11.1	<p><b>Factoring Charges</b> Lorraine explained that our accountants have suggested putting the management fee and close cleaning charge up by <b>(figure redacted)</b>. Christine noted this will be the same as the rent increase.</p> <p>The current management fee is <b>(figure redacted)</b> and would go up to <b>(figure redacted)</b>. Charges for the close cleaning will also increase as costs such as staff wages and materials have increased. The bulk uplift charge would remain the same and the insurance premium will be dictated by the insurance policy.</p> <p>Lorraine asked the Committee what their thoughts were on the charges. The Committee thought the new charges were reasonable.</p> <p>The new factoring charges were proposed for approval by SH and seconded by PC.</p>	
11.2	<p><b>Owner Occupier Flats</b> <b>Section redacted due to confidentiality.</b></p>	
11.3	<p><b>Cyber Security Report</b> <b>Section redacted due to cyber security.</b></p>	
11.4	<p><b>Policy Review</b> Before the undernoted policies were approved, an overview was given of each one.</p>	
11.4.1	<p><b>Damp and Mould Policy and Procedure</b> Christine advised after what happened in England, there has not been much directive yet for housing associations, but she felt this was a good time to put</p>	

	<p>together the damp and mould policy. We put together a leaflet that was uploaded to our website and Facebook page, and we included an article in the winter newsletter. Grahame commented he attended a training session held by <b>(organisation redacted)</b> and they said there is an expectation on RSLs to have a policy and procedure in place.</p>	
11.4.2	<p><b>Complaints Policy</b> There have been minor changes made to the policy such as updating staff job titles.</p>	
11.4.3	<p><b>Absence Management Policy</b> Emma explained under reasonable adjustments, she has included the introduction or extension of working from home arrangements.</p>	
11.4.4	<p><b>Disciplinary Policy</b> The Use of Social Media and Email Policy was updated to Communications Policy.</p>	
11.4.5	<p><b>Grievance Policy</b> No changes were proposed.</p> <p>The policies were approved by SH and seconded by TT.</p>	
11.5	<p><b>Committee and Staff Dinner</b> The Committee agreed on holding the Committee and Staff dinner on <b>(date redacted)</b> at <b>(venue redacted)</b>. Christine proposed to contact the <b>(company redacted)</b> to book this date.</p>	CL
11.6	<p><b>Confidential Matter</b> GH advised he had a confidential matter he wished to discuss with the Management Committee and requested that staff left the meeting.</p> <p><i>Grahame, Lorraine, and Emma left the meeting at 7.55 pm.</i></p>	
<b>12.0</b>	<b>Date of Next Meeting</b>	
12.1	<p>The next Management Committee meeting will be held on <b>17<sup>th</sup> January 2023</b> at 6.30 pm.</p> <p>There being no further business, the meeting closed at 8.30 pm.</p>	