

# Cernach Housing Association Minute of Management Committee meeting held on Thursday 3 March 2022 at 6.00pm in the boardroom with a Zoom option



**Ag3**

## 1. Present

J Brannan (Chair)	A Biddell	S McDonald MBE
A El kadi	M Dabek	R McGill
M Mellon	C Love	Z Saad Hassan
J McFarlane	F John	

### In attendance

C Jardine (Zoom)	P Baylis	P Long (FMD)
S Mangan	E McShane	A Smith
K Dyson	A Cameron (Quinn Internal Audit via Zoom)	

### Minute taker

A Smith

## 2. Apologies

2.1 Apologies were received from T Bowie and K McGinley

**Noted**

## 3. Declaration of interest

3.1 There was no declaration of interest

**Noted**

## 4. Minutes of previous meeting

4.1 The minutes of the Management Committee meeting held on 27 January 2022 were proposed by J McFarlane and seconded by M Dabek

**Approved**

## 5. Matters arising

5.1 Matters arising from meeting held on 27 January 2022:

C Jardine advised there was one from item 6.13 and it will be addressed at item 6.12.

**Noted**

## **6. Director's report**

### **6.1 Internal audit reports**

6.1.1 A Cameron presented the findings of the internal audit reports on:

- Annual Assurance Statement methodology and robustness of assessment process
- Payments
- Entitlements, Payments and Benefits – allocations (lets to connected persons). This is a standard item that we include in the main internal audit phase every year

6.1.2 A Cameron informed Committee that the findings were positive, with full assurance on two of the reports and reasonable assurance on the third.

6.1.3 He was also pleased to note that for the Annual Assurance Statement process was one of the most comprehensive processes he had seen in his dealings with other RSLs. He particularly noted the process of staff and Committee working side by side on developing the Statement.

6.1.4 Regarding the payment process and authorisation, he gave reasonable assurance. All recommendations are noted in the report and staff were pleased to note that it was a positive report overall.

6.1.5 Committee approved the recommendations and agreed to the action plan outlined in the management response boxes. These will be incorporated in the tracker and progress reported to the Assurance sub-Committee.

**Approved**

### **6.2 Management Accounts to December 2021**

6.2.1 P Long presented the narrative summary and key figures within the management accounts.

6.2.2 P Long confirmed the operating surplus for the year is £845,000, which is higher than budgeted surplus of £720,000. This can be attributed to lower management costs and lower planned and reactive maintenance costs, along with additional grant income for the Community Connector service, offset by higher costs for void repairs. There is also net interest of £21,000 and a pension deficit of £61,000 to be considered, leaving a total comprehensive income of £763,000, for the period to 31 December 2021.

- 6.2.3 P Long pointed out that the forecasted surplus for March 2022 is now £941,000 compared to the original budget of £889,000.
- 6.2.4 P Long advised the forecast cash balance for March 2022 is £2.076 million compared to the original budget of £1.890 million
- 6.2.4 P Long confirmed that although we still haven't felt the full impact of Covid-19, we remain in a strong financial position
- 6.2.5 Management Committee approved the management accounts.

**Approved**

**6.3 Final budget – 2022/23**

- 6.3.1 P Long presented final budget and highlighted that although the draft budget was approved in January, some minor changes have emerged since then. These are noted below:

6.3.2 Statement of financial position

- i. P Long advised the value of net current assets, will decrease by £190,000 to £33.339million at March 2023. The balance of negative goodwill will remain unchanged at £2.056 million and cash balances, including receivables, will increase by £133,000 to £2.514 million at March 2023.
  - ii. Debtors remain unchanged at £194,000 and short-term creditors also remain unchanged at £1.112 million
  - iii. P Long confirmed the Association's net assets at March 2023 will amount to £14.150 million, which is a decrease of £57,100.
  - iv. P Long confirmed the values of longer-term loans (£1.543 million), pension liability (£324,000) and deferred income (£16,861) will all remain unchanged.
  - v. Committee are asked to note that the Association will continue to comply with all financial covenants.
- 6.3.3 A point was raised by Committee regarding the timing of the window replacement programme over 2022/23 and 2023/24. P Baylis confirmed that the planned schedule was based on the results of the stock condition survey and C Jardine advised that some of the window replacement works had been programmed for 2023/24 as some RSLs had been reporting difficulties with window contracts – shortages of both labour and materials seem to be having

an impact on contractor availability and lead-in times. P Baylis advised that the final draft of the five-year investment programme is due to be presented to the Committee in April and we would address Committee's comments as part of this.

6.3.4 After discussion around the budget, the Committee approved the draft budget.

**Approved**

#### **6.4 Vat de-registration**

6.4.1 P Long presented the report to Committee.

6.4.2 He advised Committee we had registered for VAT when we initially had the stock transfer in 2010 so that we could reclaim VAT paid on some of the works that GHA had not completed pre-transfer. However, all of these works have now been completed and there is no advantage to continuing to be registered; in fact, administration costs mean that it is now disadvantageous for the Association to be registered for VAT.

6.4.3 It was therefore recommended to go ahead with VAT de-registration. However, we will continue to hold vat records and a quarterly VAT return will be submitted to HMRC

6.4.3 Committee noted the contents of the report and approved the recommendation.

**Approved**

***P Long and K Dyson left the meeting at this time***

#### **6.5 Business plan – April 2022**

6.5.1 E McShane presented the report to Committee.

6.5.2 She advised that the auditor had previously given recommendations on how we could improve our approach to business planning and these had been taken on board during the drafting process.

6.5.3 E McShane provided feedback on a business planning session from the recent SHARE governance conference which she, C Jardine and L-J Richards had attended. The thinking was to split business planning into three strands – strategic plan, delivery plan and resourcing plan. As noted in the cover paper, we are presenting the strategic plan element at this meeting and, if the Committee is happy with this approach, we will work on the delivery and resourcing plans.

6.5.4 The strategic plan (distributed with the papers) seeks to reflect the discussion at the two planning events (in June and December 2021). We have focussed on the next 12 months given the added uncertainties around the impacts of Brexit and the pandemic; we will revert to a three-year rolling plan in due course.

6.5.5 Committee agreed to the three-strand approach that was being recommended and approved the strategic plan.

**Approved**

## **6.6 Policy review schedule**

6.6.1 C Jardine presented the report, noting that some service delivery policies due to be approved during the past two years had been delayed given the obstacles to resident consultation.

6.6.2 C Jardine advised that now restrictions are lifting, it would be appropriate to schedule in these policies and re-introduce tenant consultation via the residents panel.

6.6.3 The Committee approved the contents of the policy review schedule.

**Approved**

## **6.7 Schedule of meetings – 2022/23**

6.7.1 A Smith presented the report and Management Committee approved the contents.

**Approved**

## **6.8 Committee workplan – 2022/23**

6.8.1 C Jardine presented the report and Management Committee approved the contents.

**Approved**

## **6.9 Development update**

6.9.1 C Jardine presented the report to Committee advising that:

- No response had been received for additional grant claim of £35,000.
- The final inspections at Invercanny Drive went ahead on 24 January and 1 February 2022 as planned. However, Committee are asked to note that there are still six properties outstanding that we need access for.

6.7.4 Committee are asked to note the contents of the report.

**Noted**

## **6.10 Ground Maintenance contract**

6.10.1 P Baylis presented the report to Committee.

6.10.2 P Baylis confirmed that the tender document would be published on Public Contracts Scotland, and it would be a one stage procurement process comprising of a quality/price selection on a ratio of 60/40. Once posted the tender will be live for one month.

6.10.3 M Mellon and J McFarlane agreed to attend the tender opening for the procurement of the ground maintenance contract. This should take place mid-April and is likely to be via MS Teams.

6.10.4 Committee noted that the budget proposal for the contract in 2022/23 is £105,000, which is inclusive of procurement costs and Clerk of Works fees.

6.10.4 Committee approved the recommendation and delegated authority to the Depute Director to award the contract to the most economically advantageous tender.

**Approved**

## **6.11 Re-opening the office**

6.11.1 P Baylis presented the report to Committee.

6.11.2 P Baylis advised that, after staff consultation and discussion at the management team, it is recommended that the office would re-open to the public on a part-time basis initially. It is proposed that this would be for two days each week (Mondays and Thursdays) from 9am to 5pm, and would begin on Monday 28 March 2022.

6.11.3 Following feedback from the staff team, it was agreed that Covid-19 measures would remain in place, for instance hand sanitiser and masks made available at the front door for visitors. Staff will continue to wear masks when moving around in the office.

6.11.4 Committee were informed that the SHR would be updated as we currently have a notifiable event related to the office being closed to the public.

6.11.5 Management Committee approved this recommendation.

**Approved**

***Standing orders were suspended at this time to allow the meeting time to extend for a maximum of 30 minutes***

## **6.12 Decision between meetings**

6.12.1 C Jardine discussed the report with Committee.

6.12.2 C Jardine advised that the decision to advertise for two full-time Grade 5 Housing Assistants to replace the full-time Grade 6 Assistant Housing Officer and part-time Grade 5 Housing Assistant had been taken at the recent Assurance sub-Committee meeting. Normally such a decision would come as a recommendation to the Management Committee. However, section 4.5.2(g) of the standing orders, remits and delegated authority document, permits the Chair to take a decision between meetings if there is a business need to do so, so long as this is done only exceptionally and is reported to the Committee at its next meeting.

6.12.3 Management Committee noted the decision and the reasons behind it.

## **6.13 Investing in Communities Fund (ICF)**

6.13.1 E McShane presented the report to the Management Committee advising that an in principle offer of grant for £31,500 had been received, subject to the Budget Bill being finalised.

6.13.2 The Management Committee approved the recommendation of authorised signatories of C Jardine, P Baylis and E McShane for this project.

**Approved**

## **7. Policy review**

7.1 There are no policy reviews this month.

**Noted**

## **8. Sub-Committee minutes and recommendations**

### **8.1 Operations sub-Committee**

8.1.1 The minute of the meeting on 20 January 2022 was noted.

**Noted**

8.1.2 There was one recommendation from the meeting on 24 February 2022 and that was to approve the write-off of £1,700 in former tenants' arrears.

8.1.3 The Committee approved this recommendation.

**Approval**

## **8.2 Audit, Assurance & HR sub-Committee**

8.2.1 The minutes of the meetings on 12 August 2021, 13 October 2021, 4 November 2021 were all noted.

8.2.2 There was one recommendation from the meeting held on 10 February 2022 which was to approve the name change of the sub-Committee to Assurance sub-Committee as this was more straightforward.

## **9. Membership and use of seal**

9.1 There were no new members and no removals from the membership.

**Noted**

## **10. Correspondence**

11.1 We received a newsletter from P Carey, Councillor for Ward 14 covering Drumchapel and Anniesland, with some local news of developments happening within the area and funding received by local groups. Committee felt this was all positive for the area.

**Noted**

## **11. Good news spot**

11.1 The installation of our new signage for the offices has begun and will be completed in the next day or two.

## **12. AOCB**

12.1 There was no AOCB.

**Noted**

## **13. Date and time of next meeting**

13.1 The next scheduled meeting will be on **Thursday 14 April 2022** at 6.00pm. It will be held in the boardroom with a Zoom option.

Chair: ..... Date: ... ..