

# Cernach Housing Association Minute of Management Committee Meeting held on Thursday 10 September 2020 at 5.30pm Via Zoom videoconferencing



## 1. Present

J Brannan  
A Biddell  
R McGill

J McFarlane  
T Bowie

M Mellon  
D MacMillan

### In attendance

C Jardine  
K Dyson  
A Smith

P Baylis  
P Long (FMD)  
S Mangan

C Armstrong  
F McDonald (FMD)  
O Gaffney (Share)

### Minute taker

A Smith

Prior to the start of the meeting, J Brannan introduced Olwyn Gaffney from Share who was in attendance to present the annual Committee appraisals and Fettes McDonald from FMD financial services who was in attendance for the financial sensitivity analysis.

## 2. Apologies

2.1 Apologies were received from Susan McDonald MBE.

**Noted**

2.2 M Wylie and K McGinley are on special leave.

**Noted**

2.3 Special leave was requested and granted to the end of the calendar year for Frank John.

**Approved**

## 3. Declaration of interest

3.1 There were no declarations of interest.

**Noted**

## 4. Minutes of previous meetings

4.1 The minutes of the Management Committee meeting held on 6 August 2020 were proposed by J McFarlane and seconded by T Bowie.

**Approved**

## 5. Matters arising

- 5.1 Item 6.8: C Jardine confirmed to Committee that this year's Annual General Meeting would be held virtually on Monday 14 September 2020 at 7pm.

*J Brannan advised Committee that there was a change to the agenda and that agenda item 6.9 would now be brought forward to be presented after agenda item 6.1. The record of discussion is noted under 6.9 in these minutes. C Armstrong left the meeting at the end of this item.*

## 6. Director's report

- 6.1 **Annual Committee appraisals – presentation of report by O Gaffney, SHARE**

- 6.1.1 O Gaffney presented the report to Committee.
- 6.1.2 O Gaffney confirmed the findings of the recent survey were positive and asked Committee to note the couple of minor training points that had been highlighted.
- 6.1.3 C Jardine confirmed that there has been extensive work around the Annual Assurance Statement in recent years, but advised that we may have to highlight these connections more clearly. We will give some thought as to how to achieve this.
- 6.1.4 O Gaffney concluded that Committee appears to work well, and this is reflected in the low number of recommendations.
- 6.1.5 Committee note the contents of the report and asked the Director and corporate services staff to implement the recommendations.

**Noted**

- 6.2 **Management accounts to end June 2020**

- 6.2.1 P Long presented the management accounts to June 2020.
- 6.2.2 P Long confirmed that the operating surplus is higher than expected due to reduced spending, primarily in reactive and planned maintenance along with management costs, to a total of £357,000
- 6.2.3 He highlighted that net interest payments of £6,000 will decrease the net surplus

6.2.4 He confirmed other comprehensive income is minus £20,000 which represents pension deficit payments for the year to date.

6.2.5 He advised that the surplus for the year to March 2021 is forecast to be £785,000, higher than the original budgeted surplus of £691,000

6.2.6 Management Committee approved the management accounts.

**Approved**

### **6.3 Five-year financial projections**

6.3.1 P Long presented the report to the Committee

6.3.2 F McDonald advised that the financial trends that the Association is experiencing are being mirrored throughout the industry.

6.3.3 Covid-19 has had a positive impact on surpluses and cash flows however, as more tenants move over to Universal Credit, we will see an increase in arrears. This is partly down to the delay in making payments to landlords.

6.3.4 Committee noted the contents of the report.

**Noted**

### **6.4 Covid-19 sensitivity analysis (medium term)**

6.4.1. C Jardine and F McDonald discussed the sensitivity analysis that had been carried out on the five-year figures taking account of the possible impact of Covid-19 on income and expenditure.

6.4.2 It is impossible to predict with any certainty how Covid-19 may impact the Association; at this point, we do not even know if we are moving towards a second lockdown or when we will start to return to “normal”. We therefore remodelled the five-year figures using a combination of adverse scenarios, including one that had all the main adverse scenarios occur at the same time. These suggested that the Association had no immediate concerns over viability, albeit prolonged income loss, increases in costs, etc would present a concern (as it would with any business).

6.4.3 Following discussion, it was:

- noted that, in the medium-term, the Association is sufficiently strong financially to respond to any negative financial effects due to Covid-19

- agreed to re-evaluate the 30-year projections during the first half of 2021/22 when we may have more information on Covid-19 and how it has impacted us

6.4.4 Committee noted the contents of the report and advised that the sensitivity analysis had given them some comfort, although they noted that we would have to keep this under review.

*P Long, F McDonald and K Dyson left the meeting*

## **6.5 Lockdown Report**

6.5.1 C Jardine updated Committee with the report and asked them to note the following:

- the monthly return was made to the SHR on 7 August (the September one has also been submitted since the papers were issued)
- that we will no longer update the business continuity template but will instead focus on recovery planning
- that we have leased an additional three properties to GCC and these have been notified to the Regulator
- the comments made in relation to returning to the office

6.5.2 C Jardine informed Committee that the arrears are currently sitting at 3.58% which is an increase of 0.19%, however it was still a decrease since March.

6.5.3 Good progress continues to be made to return to the office. Both staff and Committee working groups have worked well to get the plan to this stage. After completion of all individual one-to-ones, it was apparent that most staff are keen to get back to working in the office. This will be done by working in two bubbles with the office remaining closed for the time being.

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

**Noted**

## **6.6 Annual Assurance Statement - update**

6.6.1 C Jardine confirmed to Committee that a response to the consultation, which was discussed at last month's Committee meeting, had been submitted by J Brannan on behalf of The Association regarding the AAS. The Regulator has now extended the deadline for submission for this year by one month. Committee are asked to attend a special meeting to discuss the Annual Assurance Statement on Thursday 19 November 2020 at 6pm.

6.6.2 Committee noted the report and approved special meeting.

**Approved**

**6.7 Annual Review of Registers – update**

6.7.1 C Jardine presented the report

6.7.2 J Brannan and C Jardine have met and signed the registers. Any Committee member can view and/all of the registers if they wish to – please contact A Smith or S Mangan.

6.7.3 Committee were asked to note the contents.

**Noted**

**6.8 Gas contract procurement**

6.8.1 P Baylis presented the report to the Committee.

6.8.2 Due to Covid-19, the procurement for this had been delayed and City Building have been asked to continue with the current contract for a further three months. This will take us to the end of January.

6.8.3 This is a joint procurement with the five Drumcog landlords and we are presently seeking legal advice on our preferred procurement route for this contract.

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

**Noted**

**6.9 Development update**

6.9.1 C Armstrong presented the report with an update on the Association's development activity, including the office extension.

6.9.2 C Armstrong reported that the contractor is forecasting to hand over the first of the new houses on 22 October with the remaining homes to be given back before the end of December. This will all depend on restrictions easing and good progress being made as the site was closed for 11 weeks due to the pandemic

6.9.3 C Armstrong confirmed that work will take place on the road at Linkwood Drive and could cause some disruption for the residents. The back landscape behind houses is still to be completed although work is in progress.

6.9.3 The office extension has been completed and Building Control have issued the completion certificate. The Health and Safety file awaits completion.

6.9.4 J Brannan discussed the idea of having an official opening of the new sites and the renaming of the Cernach offices. S Mangan suggested we include these events with the 30-year anniversary of Cernach HA next summer. Members agreed with this and we will bring a paper to a future Committee meeting.

6.9.5 Committee were asked to note the contents of the report.

**Noted**

## **6.10 Sub-Committee review**

6.10.1 C Jardine presented the report to Committee and asked them to note and approve the following:

- the Property and Development sub-Committee becomes the Operations sub-Committee from its meeting on 26 November, with development updates going to the Management Committee until the Invercanny Drive new build has completed and
- the Staffing, General Purposes and Audit sub-Committee holds the meeting scheduled for 12 November

6.10.2 Committee acknowledged the content and approved recommendations

**Approved**

## **7. Policy review**

There are no policy reviews this month.

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

8.1.1 The minute of the meeting on 3 September 2020 was noted.

8.1.2 P Baylis confirmed that a decision was taken at the Property and Development Sub-committee to upgrade the communal TV ariels within Kinfauns Drive at the cost of just over £11,000. This cost would be split between 47 tenants and 23 owners.

**Noted**



**9. Membership and use of seal – currently suspended**

9.1 C Jardine confirmed that the Membership and use of seal would be re-introduced from next month.

**Noted**

**10. Correspondence**

10.1 There was no Correspondence this month

**11. Good news spot**

11.1 Office extension has now been completed and staff are ready to move in over the next couple of weeks.

**Noted**

**12. AOCB**

12.1 J Brannan reported that, at the Property and Development Sub-committee meeting, it was suggested that the start time of the Management Committee meeting should be pushed back to 6pm for anyone with work commitments to attend.

12.1.2 Committee approved the new start time.

**Approved**

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

13.1 The next meeting will be on **Thursday 22 October 2020** and will be held via Zoom starting at 6pm. Invites will be sent out by email and WhatsApp.

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