

Cernach Housing Association Minute of Management Committee Meeting held on Thursday 3 December 2020 at 6.00pm Via Zoom videoconferencing



1. Present

J Brannan	J McFarlane	M Mellon
A Biddell	F John	S McDonald MBE
R McGill	M Wylie	T Bowie
S Brannan	K McGinley	A El kadi

In attendance

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

Minute taker

E McShane

2. Apologies

2.1 There were no apologies noted. D MacMillan is on special leave.

Noted

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 22 October 2020 were proposed by J McFarlane and seconded by A Biddell.

4.2 The minutes of the Special Management Committee meeting held on 19 November 2020 were proposed by J McFarlane and seconded by T Bowie.

Approved

5. Matters arising

5.1 Item 4 (19 November 2020): C Jardine confirmed that the Annual Assurance Statement was submitted to the Scottish Housing Regulator on 20 November 2020.

6. Director's report

6.1 Development Update

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

6.1.2 Invercanny Drive update

- a) C Armstrong informed the Management Committee that the first units were successfully handed over on 5 November, and a subsequent handover of eight units was completed on 3 December 2020. A further eight units are due for completion on 10 December with the remaining 28 units being handed over in early 2021.
- b) C Armstrong provided an update on costs and updated that additional grant is being sought for a portion of the increased sums.

6.1.3 Linkwood Drive

- a) C Armstrong reported that there are some delays in resolving defects issues due to Covid-19 restrictions and some staff shortages.
- b) The Committee raised a potential issue regarding rear garden drainage. C Armstrong advised that he and P Baylis were planning to meet the contractor to discuss this – it was agreed that two/three members of the Operations sub-Committee would also attend this meeting.

6.1.4 Office Extension

- a) C Armstrong advised that we are awaiting practical completion certificates after the Health & Safety files have been updated but there is no further update.

6.1.5 Committee noted the contents of the report.

Noted

C Armstrong left the meeting at this point

6.2 Management accounts to September 2020

6.2.1 P Long presented the Management accounts to September 2020.

- 6.2.2 P Long confirmed that the operating surplus is higher than expected due to reduced spend, primarily in reactive/planned maintenance and management costs, to a total of £632,000.
- 6.2.3 P Long highlighted that net interest payments of £13,000 will decrease the net surplus to £619,000.
- 6.2.4 P Long also confirmed other comprehensive income is £39,000 lower which represents pension deficit payments for the year to date.
- 6.2.5 P Long advised that the surplus for the year to March 2021 is estimated to be £917,000 which is higher than the original budgeted surplus of £691,000.
- 6.2.6 Management Committee approved the management accounts.

Approved

P Long and K Dyson left the meeting at this point

6.3 Internal Audit Report

- 6.3.1 A Cameron presented the internal audit report highlighting that this focussed on business continuity amid the Covid-19 crisis, specifically on governance, remote working, communication and tenant safety. There was also a separate audit conducted of connected person lets since the last internal audit phase.
- 6.3.2 A Cameron informed the Management Committee that Full Assurance was given to all areas of the business continuity audit, with only three recommendations:
- Review the business continuity plan to reflect some of the lessons learnt from the Covid-19 pandemic
 - Develop a policy for dealing with “no accesses” for the Electrical Installation Condition Reports (EICR) which are due to become required in law in March 2022
 - Continue to try to gain access to complete the outstanding gas checks as soon as possible – these are where tenants have not allowed access because they are shielding, ill or have anxiety around catching Covid-19
- 6.3.3 A Cameron highlighted that staff are in agreement with these recommendations and that overall the Association has worked well under the challenging Covid-19 circumstances and that financial planning, communication, governance and staff engagement have been very good.

- 6.3.4 A Cameron presented the report on entitlements, payments and benefits (connected person lets). This audit resulted in full assurance with no recommendations.
- 6.3.5 C Jardine highlighted that receiving an audit report with no recommendations is exceptional and that the staff team are delighted with this.
- 6.3.6 Committee are asked to note the contents of the report and agree the action plan within the management response to the business continuity report. Management Committee agreed this and therefore the recommendations will be incorporated into the tracker and reported subsequently to the Staffing, General Purposes and Audit sub-Committee.

Approved

6.4 Risk management matrix – annual review

- 6.4.1 C Jardine presented the report and noted that some changes have been made to the format of the risk register in order to distinguish Covid-19 risks from risks which are either pre-existing or separate from Covid-19 related issues.
- 6.4.2 C Jardine highlighted the key risks to the Association in both trackers and asked Management Committee to note these and approve the revised matrix.

Noted

6.5 Gas contract procurement

- 6.5.1 P Baylis presented the report on the procurement of gas maintenance which is being procured alongside DRUMCOG partners.
- 6.5.2 P Baylis highlighted that the Association is considering using a procurement framework at this time due to the benefits of reducing the timescales involved and relative ease compared to the use of a full tender process. In considering using the Scotland Excel framework, the Association would also be able to directly award a contract to one of the contractors on the framework. P Baylis highlighted that this process would also result in a small saving.
- 6.5.3 P Baylis reported that the DRUMCOG partners have received formal legal advice regarding the compliance of this approach with regulatory frameworks and procurement legislations. The solicitor has reported that the Scotland Excel framework is well known and well used, advising that comfort should be taken from this. DRUMCOG subsequently appointed Tom Atkinson Partnership to gain further assurance of process and confirm if value for money is established. The consultant's report confirms that the approach does represent value for money.

6.5.4 P Baylis further advised that the Association has applied to become associate members of Scotland Excel in order to have access to this procedure and this was granted.

6.5.5 P Baylis advised that the Association's current contractor is part of this framework and a direct contract award could be made as they are familiar with properties and process.

6.5.6 P Baylis asked Committee to note Cernach's membership application to Scotland Excel and allow us to facilitate this procurement method when retendering gas contract, and proceed with a direct call off award to our current contractors provided Scotland Excel can provide adequate documentation that this meets all relevant rules and regulations. Management Committee noted and approved these.

Approved

6.6 Reactive maintenance framework procurement

6.6.1 P Baylis presented the report on procurement for reactive maintenance contractors and the proposed key dates for this. This will be done jointly with partners within DRUMCOG.

6.6.2 P Baylis highlighted that this will be a two-stage procurement process with a contract notice and pre-qualification questionnaire being uploaded to Public Contracts Scotland website. The Stage 1 tender returns are expected on 22 December with the Stage 2 tender issue scheduled for 18 January 2021.

6.6.3 P Baylis advised that further updates will be provided as the progression is made through each stage in the coming months. Committee noted the contents of the report.

Noted

6.7 Annual report to tenants on the Charter

6.7.1 C Jardine presented the report and noted that the usual timescale of issue to tenants in October had been extended by the Regulator following extended deadlines to RSLs on submission of Charter data. A copy of the draft Annual Report was circulated to Committee members for information. This will now be issued prior to the end of December.

Noted

6.8 Rent review 2021/22 – consultation arrangements

6.8.1 P Baylis presented a report to Management Committee on the proposed figures for consulting on a rent increase. The Association's figures are based

on the Consumer Price Index (CPI) in September each year which, in September 2020, was 0.5%.

- 6.8.2 P Baylis highlighted that the Association's 30-year plan was based on inflation-only increases and an increase of 0.5% would result in an average weekly increase of £0.40 on a full rent of £78.95. P Baylis also highlighted the affordability of Cernach's rent, as lower than average within Drumchapel area.
- 6.8.3 P Baylis further advised that a rent freeze option had been considered and had been sent to FMD for consideration in order to assess the longer-term impact and reduction in income. FMD's report highlighted that the reduction in income over 30 years was likely to be between £565,000 and £710,000 depending on inflation levels.
- 6.8.4 Committee highlighted the benefit of the rent freeze (ie zero increase) in relation to the good message it will send to tenants based on a reduction of income in 2021/22 of £17,500. It was also highlighted that approximately 30% of tenants pay full rent costs not covered by benefit and they would be paying an average of £20 per year.
- 6.8.5 It was highlighted that within others in the housing sector, Glasgow and West of Scotland Forum of Housing Associations reported an average of 0.5% increases being reported, with only one member opting for a rent freeze so far.
- 6.8.6 Extensive discussion took place, with Management Committee opting to freeze rents at 2020/21 levels for the financial year 2021/22.
- 6.8.7 As there will be no increase to rent amounts, there will be no requirement for a consultation. However, we will write to all tenants to advise them of the Committee's decision not to increase rents next year and invite comment.
- 6.8.2 Committee approved a 0% increase (rent freeze) for 2021/22.

Approved

6.9 Official opening of Marion McDonald House, new build opening and 30th anniversary celebrations

- 6.9.1 Following discussion at the September Committee meeting, S Mangan presented the report on an event to celebrate recent and historical milestones for the Association.

6.9.2 Due to current restrictions, previous events have been postponed. The plan is that an event is held in July 2021 which would encompass the opening of the new office, named Marion McDonald House, the handover of 84 new builds since December 2019, and the 30 year anniversary of Cernach's registration as a social landlord.

6.9.3 Management Committee approved an event in principle, and S Mangan will present future plans nearer to the time. S Mangan will lead on this event.

Standing Orders were suspended as the agenda ran after 8pm

6.10 Lockdown report

6.10.1 C Jardine presented the report to Committee.

6.10.2 Committee were asked to note the following:

- The Scottish Housing Regulator returns continue to be submitted monthly with no issues.
- There have been no Notifiable Events since the last Committee meeting.
- The "bubble" for office working has been suspended due to Glasgow entering level 4 restrictions and more staff opting to working from home. This will be reassessed in January 2021.
- Seamus Corry, who conducted a Health & Wellbeing Survey with staff, has suggested conducting a similar exercise with Management Committee. It is proposed that details for this will be circulated to members once arranged.
- The Annual Assurance Statement has been submitted.

Noted

6.11 Section 5 referrals - update

6.11.1 P Baylis introduced the report to Committee and noted figures to date, highlighting offers made to Section 5 referrals in response to their request for more offers in response to the Covid-19 pandemic.

6.11.2 Management Committee noted the contents of the report.

Noted

7. Policy review

7.1 Standing Orders

7.1.1 C Jardine highlighted that, although there are no policy reviews for this month, some changes require to be made to the Standing Orders document which were noted when drafting the Annual Assurance Statement.

7.1.2 C Jardine highlighted the changes, none of which were substantive, and Management Committee approved these.

Approved

8. Sub-Committee minutes and recommendations

8.1.1 There were no recommendations from the Operations sub-Committee meeting on 26 November 2020.

8.2.1 There was a recommendation from the Staffing, General Purposes and Audit sub-Committee meeting on 12 November 2020 to reappoint Quinn Internal Audit for an additional year provided that Quinns are happy to agree an inflation-only fee increase. This was to avoid a re-tendering exercise during the current pandemic. Management Committee approved this recommendation.

Approved

9. Membership and use of seal

9.1 There were no new members in this period.

9.2 Committee were asked to note the content of the report.

Noted

10. Correspondence

10.1 EVH Christmas Zoom meeting

10.1.1 C Jardine advised EVH were holding an open meeting on 15 December 2020 and that she would circulate the details via the Committee WhatsApp.

10.1.2 A thank-you card has been received from R Ghumman who is currently on maternity leave noting the gifts given by the Association to celebrate the birth of her daughter Ameerah.

Approved

11. Good news spot

11.1 P Baylis informed Management Committee that eight new build properties were successfully handed over to tenants today, 3 December.

- 11.2 P Baylis also updated that T Scanlon, Community Connector, has received further discretionary funding which brings the total to over £100,000 since the beginning of lockdown to distribute to people in Drumchapel.

Noted

12. AOCB

- 12.1 C Jardine updated to Management Committee that a ballot of Kendoon tenants has resulted in 88.5% voting “yes” to transfer to Pineview Housing Association, with 56% of tenants voting.
- 12.2 A virtual night out is suggested for staff and Committee in January which could be administered by a hosting company. This will be investigated by staff with further updates to be delivered.
- 12.3 J Brannan suggested that the Association may wish to look at further items being delegated from Management Committee meetings to sub-Committees in order to make more effective use of Management Committee time and give sub-Committees a more meaningful role. This will be taken forward in 2021/22.

Noted

13. Date and time of next meeting

- 13.1 The next scheduled meeting will be on **Thursday 28 January 2021** and will be held via Zoom starting at 6pm. Invites will be sent out by email and WhatsApp.

Chair: Date: