

HILLHEAD HOUSING ASSOCIATION 2000

Minutes of the Management Committee Meeting held on Wednesday 30 August 2017 at 6.30 pm in the Association's offices at 2 Meiklehill Road

Present: C Taylor
M Docherty
R Smith
Cllr S MacDonald

L Scott
Cllr S Murray
J Shovlin

In Attendance: S Macintyre, Director
E Sharkey, Housing Manager
G Fitzpatrick, Finance & Corporate Services Assistant
M Bisset, Welfare Rights Officer
A McBean, Alexander Sloan
F McDonald, FMD

1. APOLOGIES

Apologies were received from D Wilson and S Niven.

2. DECLARATIONS OF INTEREST AND DEFERRED ITEMS

None.

3. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETINGS

Community Garden Sub Committee Meeting held on 23 June 2017

Page 3, Item 9: Community Garden Banner Competition

C Taylor advised that unfortunately the winning entries had been damaged, but that the nursery had agreed to provide new drawings.

The minutes of the meeting were approved by L Scott and seconded by J Shovlin.

Management Committee Meeting held on 2 August 2017

Page 2, Item 3: Matters Arising – Joint Integration Health & Social Care Board

S Macintyre stated that the meeting with Susan Manion had been arranged for the end of September and he would report back at the October management meeting.

Page 4, Item 5 i): Internal Management Plan – Q1 Business Objectives – Canal Cycle Path

S Macintyre updated the Committee regarding the canal cycle path and advised that Leader, the funding group were asking for consents to be in place from landowners and 2 private owners as well as further information to be provided by October before the next canal committee meeting in November. S Macintyre advised that a very positive meeting had taken place with Sustrans and that G Sherriff would update Committee at the next meeting.

The minutes of the meeting were approved by M Docherty and seconded by L Scott.

4. FINANCE REPORTS

Annual Accounts to 31 March 2017

A McBean from Alexander Sloan's referred Committee to the previously distributed Annual Accounts and Management letters, and advised that these had been prepared following the external audit carried out in July. He gave thanks to staff for their assistance and cooperation during the audit. A McBean presented the accounts accordingly and highlighted that there was an adequate system of internal control in place. He also highlighted that the SFHA were currently preparing a paper on internal audit as the Scottish Housing Regulator was requesting extra work be carried out.

Statement of Comprehensive Income

A McBean referred Committee to the Association's Statement of Comprehensive income for the year which resulted in an operating surplus of £239,872. He confirmed that sales of housing stock had increased from last year as a result of Right to Buy as well as increased interest payments on bank loans. The Committee noted that the deficit for the year was £575,910.

Statement of Financial Position

A McBean referred Committee to the figures relating to Housing Properties which showed a decrease from the previous year. Cllr S Murray enquired if it was good to be in a position to have a value of nothing. F McDonald advised that the Association were continually upgrading their properties but there would always be depreciation.

Statement of Cash Flows

A McBean referred Committee to the figures relating to the cash flow statement and the contents were duly noted.

Letter of Representation and Management Letter

A McBean presented an independent review of the accounts for the year ended 31 March 2017.

He advised Committee that there were no outstanding issues and the accounts could therefore be signed and approved. It was noted that the Management Letter confirmed there were no issues of concern for the Management Committee.

The Committee noted and accepted their responsibilities as outlined in the draft Letter of Representation.

Committee subsequently approved the Year End Accounts to March 2017 and noted that the signing would take place at the close of the meeting. Committee also approved the Letter of Representation and noted the contents of the Management Letter. It was agreed that S Macintyre would reply to the Management Letter on behalf of the Management Committee.

BUSINESS PLAN

Narrative Report

F McDonald highlighted the requirement for the Association to carry out annual reviews of the Business Plan, and referred Committee to the report containing detailed information on the Association's financial situation.

Presentation Slides

F McDonald presented information on the Association's long term projections and discussion took place as follows:

Financial Planning and Projections

Committee noted the Association's requirement to demonstrate compliance in various areas and viability on reasonable assumptions. The requirement to satisfy the current Regulation Plan from the Scottish Housing Regulator was also noted and F McDonald highlighted this to the Committee.

Current Operating Environment

Committee referred to the various environmental issues including global economic and political climate, in which the current Brexit situation was noted. In relation to new build at Braes O'Yetts and shared equity, F McDonald highlighted the funding costs and grant levels as well as the sales risk.

Main Assumptions

F McDonald highlighted the assumption of inflation at 2.5%. He also referred Committee to the assumption of inflation only rent rises for the next 3 years and then real rent increases of 1% for a further 6 years.

F McDonald also highlighted the assumption of the new build project at Braes O'Yetts and the associated related costs and funding.

Committee noted the planned maintenance costs based on life cycle costing plans and the real cost increases for all maintenance costs.

F McDonald referred to the assumption of the property insurance which had doubled as a result of 3 house fires and which will show an increase in year 2.

F McDonald highlighted the assumption of the lending rate and loan facility rates ranging from 1-4% from year 7 – all pre lower margin of 1.5% and long term interest rate deposits of 0.5%.

Projections

Committee noted the projections and F McDonald highlighted the prudent assumptions, low interest rates, new office, funded new build and still in a good financial position.

Main Considerations

F McDonald highlighted the main considerations to Committee which included rent levels and future increases as well as welfare reform and impact of combination of adverse circumstances. He also highlighted the Association's appetite for growth through the current work into the Braes O'Yetts project and the unused facility of £2.5m still available.

Cashflow

F McDonald referred to the figures relating to other income and highlighted the assumption for no wider role income from year 2, although this may change. Committee noted that there will be an increasing surplus in future years.

Statement of Comprehensive Income

F McDonald referred Committee to the above spreadsheets, the contents of which were duly noted.

Statement of Financial Position

Committee noted the information within the Statement of Financial Position and F McDonald advised he had no concerns with the figures. He highlighted a similar trend in previous years and advised the bank had expressed no concern.

F McDonald referred to the positive and adverse sensitivity analysis as well as the various combinations, and the potential impact on the Association's finances.

Committee subsequently approved the Business Plan.

MANAGEMENT ACCOUNTS TO 30 JUNE 2017

Committee referred to the previously distributed report and noted the contents therein. Further discussion took place as follows:

Statement of Comprehensive Income

F McDonald referred Committee to the above report and highlighted the variance of £22,757. He also highlighted the Right to Buy surplus which was likely to be higher than £114,000.

Statement of Financial Position

Committee noted the information within the Statement of Financial Position and F McDonald advised he had no concerns with the figures. He highlighted the similar trends as in previous years and advised the bank had had no concerns with this.

F McDonald referred to the positive and adverse sensitivity analysis as well as the various combinations and the potential impact on the Association's finances.

P Long will amend gross rent arrears figure in annual budget. P Long will also amend Statement of Financial Position, paragraph 4 to read: to read Cash balances at June 2017 amount to £826,000, lower than the budgeted amount of £988,000.

Committee subsequently approved the Management Accounts to 30 June 2017.

5. DIRECTOR'S REPORT

1) Antonine Housing Association

Committee noted that the Association's proposal regarding Antonine had been unsuccessful. S Macintyre advised that no written feedback had been received despite a written request for such information. In the absence of such he had accepted a meeting with Antonine Directors, Mags Lightbody and John Mulholland, who had provided verbal feedback in relation to the assessment criteria. He further advised that the successful bidder had not yet been confirmed. The committee noted the contents of this feedback.

S Macintyre advised Committee that the Association would not be providing Maintenance Services to Antonine following the end of the current agreement on 30 September. It was noted however that our agreement for Welfare Rights services would continue to run until 31 March 2018.

C Taylor asked for thanks to be passed on to staff who had been involved in providing the information for the proposal.

2) Attempted Fraud

S Macintyre referred Committee to the report and the content was duly noted. Committee noted that the information had been passed on to the Bank's Fraud Team and had also been entered into the Fraud Register and would be included in the Fraud Report for 2017/18.

3) Staff Development Day

Committee agreed to close the office in order for the Staff Development day to take place on Wednesday, 25 October 2017.

4) Director's Appraisal

Committee agreed to wait until S Macintyre returned from annual leave before arranging a date for his appraisal. C Taylor, J Shovlin and L Scott agreed to sit on the panel.

5) Health and Social Care Partnership Strategy Group

It was noted that a meeting with Susan Manion, Chief Executive of the local Health and Social Care Partnership would take place on 21 September 2017.

6) Staffing

Committee noted that the Estates Officer post had been offered to Gary Lauriston and that he would start work with the Association on 1 September 2017.

Committee also noted that Robert Louth, Community Gardener would be leaving the Association on 8 September having reached the end of his fixed term contract.

7) Management Team – Remit

S Macintyre referred Committee to the draft copy of the Remit for the Management Team. Committee noted the contents and subsequently approved the Remit for the Management Team.

5 i) RISK MANAGEMENT REPORT

Committee referred to the previously distributed report and the enclosed Risk Matrix. S Macintyre advised that he had reviewed the current Risk Register and had updated the register into Team Functions. He highlighted that a new risk, related to the loss of funding for the Tenancy Support Service, had been added. S Macintyre also highlighted the Value for Money Statement, Internal Audit of Data Security Controls and Internal Audit of Data Protection Controls were pending completion in line with the timetable. He also advised that the Right to Buy risk had been removed from the Register. S Macintyre highlighted Risk 34 where intervention from the Regulator in the event of rent increases being applied in excess of inflation. C Taylor suggested involving tenant groups as soon as possible and E Sharkey advised that the next Customer Care Working Group was at the end of November. S Macintyre advised that having options would help if rent increased over inflation. E Sharkey advised that the rent consultation leaflet would be enclosed with the December Newsletter.

5 ii) FRAUD REPORT & DECLARATION TO 31 MARCH 2017

S Macintyre referred Committee to the report, the content of which was duly noted.

5 iii) HEALTH & SAFETY REPORT

Committee referred to the previously distributed report and noted the changes implemented. Committee also noted the updated Health and Safety Policy Statement which they approved and C Taylor signed at the meeting.

Committee agreed that a meeting of the Health & Safety Committee would take place week commencing 25 September 2017.

6. HOUSING MANAGEMENT REPORTS

i) Proposed Half Year Former Tenant Write Offs to 30th September 2017

Committee noted the contents of the report and agreed to the sum of £1,591.44 relating to former tenancies of the Association being written off.

ii) Housing Manager's Report

1. Key Performance Indicators

1.1 Current Tenant Arrears

Committee referred to the previously distributed report and noted the substantial increase in arrears from May to August due to a combination of the increase in Universal Credit arrears and the increase over the summer holiday period. E Sharkey advised that she did not expect the August figures to increase further.

1.2 Former Tenant Arrears

Committee referred to the EDC former tenant arrears and noted they continued to reduce with the arrears figure at the end of July being £19,169.44.

1.3 Rent Payment Methods

Committee noted the breakdown of rent payment methods. M Bissett advised that the increase in Universal Credit being paid direct to the Association was due to tenant vulnerabilities and long term mental health.

1.4 Voids & Lettings

Committee noted the properties which had become void over the period from April to July and the subsequent re-let information. E Sharkey advised that properties were being let much quicker, with fewer refusals.

1.5 Anti-Social/Neighbour Complaints

Committee noted there had been 10 neighbour complaints since 1st April 2017 which was a reduction from the same period in 2016 when there was 16. E Sharkey advised that 8 had been resolved and that 7 of the complaints were in relation to noise issues.

2. Updates

2.1 Allocations

Committee referred to the report and noted there was 504 applicants on the Housing List. E Sharkey advised that the current Allocations Policy is under review and proposals for an amended policy would be discussed at meetings of working groups during the month of September. E Sharkey advised that the Policy needed to reflect more elements of need and be as fair as possible to a number of applicants. E

Sharkey asked Committee for volunteers to go over the draft policy. C Taylor, Cllr S Murray and R Smith agreed to attend a meeting. E Sharkey also advised that she had asked D Wilson to come along and would also invite S Niven to attend.

E Sharkey agreed to organise a meeting during the second week in September.

2.2 Nominations

Committee noted the figures contained within the report. E Sharkey advised that a further 4 nominations for properties would be offered to EDC as soon as they were ready and if accepted this would increase the total to 36%. C Taylor enquired how many void and scatter flats were offered by Antonine Housing. E Sharkey advised that no scatter flats were offered by Antonine and that she was unsure of the situation in relation to void properties. E Sharkey further advised that the nominations would probably reach the target of 45%.

2.3 Universal Credit

Committee noted the figures contained within the report and recognised the impact of the arrears due to Universal Credit.

M Bissett summarised the problems with Universal Credit and advised of issues with the IT system being used. She advised that the Scottish Government were introducing Scottish Flexibilities on 4 October where the rent would be paid directly, although consultations were still being held. She also advised that the Scottish Government was working to abolish the spare room subsidy by April 2019. Committee agreed this was good news.

8. ANY OTHER BUSINESS

S Macintyre informed Committee that due to an operating surplus there was a subsequent investment opportunity, and G Watson, Finance Officer had asked for Committee to approve investing £250,000 with Close Brothers, an approved Investor. Following discussion Committee agreed to this investment and asked that a minute of the meeting, signed by C Taylor and S Macintyre be forwarded to Close Brothers.

AGM – 20 September 2017

S Macintyre asked Committee to inform him if there was anything specific they would like highlighted at the AGM.

EDC Recovery Week Commencing 25th September

R Smith reminded Committee that the EDC Recovery Week commenced on 25 September. C Taylor advised that she would display posters in the Association's office and Credit Union.

Craigdale Housing Association

S Macintyre advised Committee that Craigdale Housing Association had requested that 2 of their committee members attend a future Management Committee meeting in an observing capacity.

8. DATE OF NEXT MEETING

4 October 2017 at 6.30pm.

Minuted by: G Fitzpatrick, Finance & Corporate Services Assistant
5 September 2017

Chairperson's Signature:

Date: