



Minutes of Management Committee Meeting held on Thursday 24 November 2022 at 6pm

PRESENT:

Mr G Maguire, Chair
Mr C Quigley, Vice Chair
Mr Z Khan, Member
Ms K Russell, Member
Mr S McLachlan, Member
Ms A Fraser, Member
Ms A Williamson, Member
Ms F Cochran, Co-optee

IN ATTENDANCE:

Ms F McTaggart, CEO
Ms C Quinn, Director of Corporate Services/Deputy CEO
- Secretary
Ms KA Wallace, Director of Customer Services
Ms N Salmon, Corporate Services/HR Team Leader
Ms L Edwards, Development Consultant

1.0 Apologies

1.1 The Chair advised that Mr J Murray and Ms S Dingwall have submitted their apologies. Mrs A Connelly is on a leave of absence.

2.0 Declarations of Interest, Gifts and Hospitality

2.1 Mr C Quigley declared that he is a Director of the HOME Team Board. The CEO declared that she is also a Director of the HOME Team Board and CEO of the Group.

2.2 There were no declarations of gifts and hospitality.

3.0 Declaration of Receipt and Understanding

3.1 Members confirmed receipt and understanding of their papers.

4.0 Minutes for Approval and Information

4.1 Minutes of Health & Safety Working Group Meeting 12 May 2022

- 4.1.1 The Minutes of Health & Safety Working Group Meeting 12 May 2022 were presented for information only.
- 4.2 Draft Minutes of Special Management Committee Meeting 26 October 2022
 - 4.2.1 The minutes of the Special Management Committee meeting held on 26 October 2022 were approved by Mr S McLachlan and seconded by Mr C Quigley as a true reflection of the meeting.
- 4.3 Matters Arising
 - 4.3.1 Ms A Williamson noted that her title had been misspelt and should be changed to Ms A Williamson.
- 4.4 Draft Minutes of Management Committee Meeting 27 October 2022
 - 4.4.1 The minutes of the Management Committee meeting held on 27 October 2022 were approved by Ms A Fraser and seconded by Ms K Russell as a true reflection of the meeting.
- 4.5 Matters Arising
 - 4.5.1 In relation to section 4.3.1, the CEO advised that she understood the new subsidiary will be called the Water Row Company and not Water Row Property Management. The reason being is that the new subsidiary will be dealing with services and management etc. Committee unanimously agreed.
- 4.6 Draft Minutes of Business Planning Day 12 November 2022
 - 4.6.1 The minutes of the Business Planning Day held on 12 November 2022 were approved by Ms A Fraser and seconded by Mr Z Khan as a true reflection of the meeting.
- 4.7 Matters Arising
 - 4.7.1 There were no matters arising.

Discussion points:

Action notes:
Following detailed discussion, Members noted and agreed/approved –
1. The change in the name of the new MMR subsidiary to Water Row Company.

For redaction:

6.0 Reports for Discussion/Information

6.3 Water Row Phase 1 - Update Report

6.3.1 The Development Consultant presented the Water Row Phase 1 Update Report including the Risk Register at Appendix 1.

6.3.2 The Development Consultant highlighted the following areas in the report:

- a) Redacted for confidentiality purposes.
- b) Feedback is still awaited on the application made to Glasgow City Council (GCC) for grant funding via the Place Fund to assist with the cost of fitting out the non residential units as described in section 8.3 of the report;
- c) In relation to section 10.5, a meeting took place on 22 November 2022 with CCG to help drive forward the community benefit outputs noting that community benefits is embedded within the company. CCG will guarantee 15 local people interviews for next years Apprentice intake if they attend a site visit beforehand;
- d) Update regarding the Considerate Constructors Scheme at section 15.1 of the report noting that the independent verification report has positively assessed the project in relation to the community, environment and workforce;
- e) Design matters as described in section 16.2 of the report;
- f) Update to risk number 38 as detailed in section 22.4 of the report noting that this risk has now been closed off.

Discussion points:

Action notes:

Following discussion Members noted and approved the Water Row Phase 1 - Update Report

For redaction:

6.3.2a

At this point Ms L Edwards, Development Consultant left the meeting.

5.0 Reports for Decision/Approval

5.0.1 The CEO advised that in relation to Committee Appraisals, the Chair has fed back to her Members concerns regarding the volume of information being presented to them.

5.0.2 The CEO proposed that in order to help reduce the volume, Management Accounts will be presented in August, October, January and March as opposed to monthly. The first draft of the budget will be presented in February for information and again in March for approval which will then become the Business Plan for the next 5 years. The budget will be reviewed at the 6 month point in September.

5.0.3 The CEO advised that Govan Home Team Board papers are available for Members to view in the document library of the VBR.

5.0.4 The CEO advised that if any unforeseen events happen i.e. lockdown etc., Management Accounts may be presented more frequently.

5.0.5 The CEO stated that there will be Special Committee Meetings - as the parent of the group - in September and February to approve the Group Accounts of the Housing Association, Home Team and Water Row Company.

5.0.6 Following discussion, Members approved the changes to when the Management Accounts will be presented to Committee.

5.1 Water Row Company - Governance Documents

5.1.1 The CEO presented the Water Row Company Governance Documents report including the following appendices:

- Appendix 1: Group Structure and Constitutional Partnership Statutory Guidance – February 2019
- Appendix 2: Draft Memo and Articles of Association
- Appendix 3: Draft Intra Group Agreement
- Appendix 4: Draft Service Sharing Agreement
- Appendix 5: Draft Service Level Agreement

5.1.2 The CEO explained that the Appendices form the Memorandum and Articles for the new subsidiary which determine how the subsidiary will operate and are based on the Home Teams Rules.

5.1.3 The CEO advised that the Association has been working with BTO to ensure that all legal requirements have been met.

5.1.4 The CEO mentioned that there will be additional information added to the documents once agreements have been finalised. The CEO then explained the purpose of each of the Appendices and noted that updates will be presented to Committee once agreements have been finalised.

Discussion points:

1. The Shareholder of the subsidiary;
2. Timeline for the subsidiary to be established;
3. Timeline for letting of first Water Row properties;
4. Recruitment options for Board Members of Water Row Company;
5. Year end options for Water Row Company.

Action notes:

1. Following discussion, Members approved the changes to when the Management Accounts will be presented to Committee;
2. Following discussion Members noted and approved the Water Row Company Governance Documents report and Appendices.

For redaction:

5.2 Annual Review of Rents

5.2.1 The CEO presented the Annual Review of Rents report including the following appendices:

- Appendix 1 – SHR email
- Appendix 2 - Rent Consultation Document
- Appendix 3 – Letter GWOSF – Rent Freeze
- Appendix 4 – Cash Flow Projections
- Appendix 5 – GWOSF Rent Increase Survey

5.2.2 The CEO stated that the Resilience Group have advised that information related to the Scottish Government's decision regarding any freeze/cap in rent increases may be available from 14 January 2023. The Resilience Group anticipate that the decision may be to cap rent increase.

5.2.3 The CEO clarified that the SHR has stated that RSL's should consult with tenants regarding any rent increase in the usual manner.

5.2.4 The CEO confirmed that the Association is consulting with tenants on a 5% increase in rent and the cash flow projections have been based on 5%.

5.2.5 The CEO advised that commercial residential lets will be increased and explained the background to the rise noting that negotiations have not yet began so the figures in the cash flow projections may change.

5.2.6 The CEO reflected that the increase in commercial residential lets will reduce the impact regarding the current financial environment in the business plan. However, due to the rate of inflation a cost cutting exercise of the budget and Business Plan will be considered in February 2023.

5.2.7 A Member queried the consultation document at Appendix 2 relating to how additional services assisted and supported our customers, owner-occupiers and the local community in particular funding awarded to Walmer Crescent Association. The CEO advised that the figures will be checked.

Discussion points:

1. Consultation arrangements;
2. Potential rent cap;
3. Impact of cost cutting on the Home Team;
4. Potential negative feedback regarding proposed rent increase;
5. Ms A Williamson declared an interest regarding funding awarded to Walmer Crescent Association - the CEO advised that figures will be checked.

Action notes:

Following discussion Members noted and approved Annual Review of Rents report and recommendations.

For redaction:

5.3 Governance Report

5.3.1 The Director of Corporate Services/Deputy CEO advised that it has been noted today that there is a problem in the VBR documents library, some of the documents appear to be corrupted. The IT department will investigate the problem tomorrow.

5.3.2 The Director of Corporate Services/Deputy CEO presented the monthly Governance report in depth and highlighted the following areas in the report:

- a) Notifiable events as described in section 4 of the report noting that there are no new Notifiable Events;
- b) Complaints and the Annual Complaints Handling Report as mentioned in section 5 of the report noting that there are no new live complaints with SPSO;
- c) Governing Body Membership as highlighted in section 6 of the report noting that Ms A Connelly is still on a leave of absence;
- d) Training as detailed in section 7 of the report, noting that the table of governing body training will be updated each month for monitoring purposes. A programme of upcoming events will be issued to Members on a quarterly basis;
- e) Committee attendance as detailed in section 8 of the report, noting that attendance has not reached 80% target in the last year. Members are reminded that they can now opt to attend the meetings virtually;
- f) Health and Safety update as indicated in section 9 of the report; noting that the Working Group met on 10 November 2022 and no serious or significant issues were identified;
- g) Freedom of Information (FOI) and Subject Access Requests (SAR) as detailed in section 10 of the report noting that there are no new requests;

- h) Annual Assurance Statement as described at section 11 of the report noting that the date of the quarterly Annual Assurance Working Group meeting is 12 January 2023;
- i) Use of Seal as mentioned in section 12 of the report noting it has been used twice since the last meeting;
- j) Shareholder applications as detailed in section 13 noting that there has been no new shareholder applications;
- k) Other Governance matters as described in Section 14 of the report including SHR update to the Scottish Social Housing Charter noting there will be no change to the ARC indicators. SHR Financial Returns Analysis 2022 noting that there is a lot of borrowing in the sector and it is seen as a good place for banks and financial institutions to invest;
- l) Management Committee Business Planning as detailed in section 15 of the report;
- m) Tenant Service Improvement Group (TSIG) as mentioned in section 16 of the report. The Association has been working with the Tenant Information Service (TIS) to improve communication with tenants. The Working Group set up for this purpose will now become the TSIG and their first meeting is on 30 November 2022. The TSIG have agreed their initial focus will be on estate management, communication and allocations policy.

Discussion points:
1. Committee attendance;

Action notes:
1. Following discussion Members noted and approved the Monthly Governance Report.

For redaction:

5.4 Govan Old Gate Email from BTO

5.4.1 The CEO reminded Committee that the Association have given servitude rights between Jim Stephen House and Govan Auld to allow Govan Auld to maintain their building.

5.4.2 The CEO advised that Govan Auld have requested that a gate be installed to allow them to access the servitude area and provided Members with the background to the request.

5.4.3 Following discussion Members approved the request to install a gate.

Discussion points:

Action notes:

1. Mr C Quigley declared an interest.
2. Following discussion, Members approved the request to install a gate.

For redaction:

6.1 Customer Service Report

6.1.1 The Director of Customer Services presented the Monthly Customer Services report in depth and highlighted the following areas of the report:

- a) Cyclical compliance as detailed in section 4 of the report noting the outstanding works at 24 Rathlin Street; the pathway with the Scottish Government regarding the cladding at Golspie Street and the inclusion of lifts in the tenants safety report;
- b) SHR compliance update regarding EICR's as described in section 5 of the report noting that the programme is progressing well and explaining the steps being taken prior to any forced access;
- c) EESSH update as mentioned in section 6 of the report noting that 13 properties once reassessed will now meet band D requirements following installation of new windows. From 2024, if a property does not meet band D or above it cannot be re-let. Progress towards the remaining 17 properties meeting band D will be presented and discussed at the Operations Subcommittee;
- d) Gas servicing contract update as detailed in section 7 of the report noting that the Association will look to extend the current contract for a final year from March 2023. Costs are anticipated to rise as a result of the increase in inflation and Committee will be kept informed;
- e) Student accommodation as described in section 8 of the report noting that moving forward, this update will be presented to Operations Subcommittee. It is anticipated that approval for the HMO licence will be granted via delegated authority following audit of the property on 22 November 2022;
- f) Quality assurance update as mentioned in section 9 of the report describing steps being taken to quality assure completed works. This update will in future be presented to the Operations Subcommittee;
- g) Lease agreements rent increase as illustrated in section 12 of the report noting that the Association is proposing to increase the rents for the leases in line with our commercial rents. Management of all lease agreements will move to the new subsidiary company as part of the current Factoring Review;
- h) Money, debt and energy update as included in section 13 of the report;

- i) Community engagement as described in section 14 of the report noting the update regarding the Tenant Service Improvement Group (TSIG) mentioned at paragraph 5.3.2m.

Discussion points:

1. Additional support being offered to tenants in properties below EESSH standard band D and EICR failures;
2. Procurement of replacement windows;

Action notes:

1. Following discussion, Members noted and approved the Customer Service Report.

For redaction:

6.2 Bi-Annual Review of Treasury Management Operations

6.2.1 The Director of Corporate Services/Deputy CEO presented the Bi-Annual Review of Treasury Management Operations Report in depth and highlighted the following areas in the report:

- a) The background as explained in section 3 of the report;
- b) Interest rates as detailed in full in section 4 of the report;
- c) Loan agreements as illustrated in section 5 of the report noting that the Association uses SONIA (SONIA T-5) for calculating interest on our loans;
- d) Borrowings as described in full in section 6 of the report noting that the majority of the Association's loans are on fixed interest rates. Transfer of the one remaining loan on variable to fixed interest rates is being delayed until interest rates are more favourable;
- e) Loan securities as included in section 6.4 of the report noting the increase of £3.46m to the loan securities valuation figure;
- f) Loan covenants as illustrated in section 7 of the report noting that the Association is in a healthy position regarding the interest cover ratio and gearing actuals figures against the targets set by the bank.
- g) Cash flow and bank balances for both the Housing Association and Home Team as detailed in section 8 of the report noting that money is transferred between accounts as required;
- h) In summary, the covenants are in a good position and the Association is well within targets for borrowing and interest repayments. The Association still needs to negotiate final interest rates for the £8.9M loan for Water Row and this will be looked at in early 2023.

Discussion points:

Action notes:
1. The Management Committee noted and approved the Bi-Annual Review of Treasury Management Operations report.

For redaction:

7.0 Any Other Competent Business

- 7.1 The CEO reminded Members that there is a Cheese and Wine Christmas event in the Association's offices from 3pm on 9 December 2022 and all are welcome.
- 7.2 The CEO asked Members to confirm if they would also like a separate Christmas lunch or early dinner event in December 2022.
- 7.3 EVH Pay Deal
 - 7.3.1 At this point staff left the meeting and the Committee went on to discuss the EVH pay deal for 2023.

Discussion points:

Action notes:
Following discussion, Committee approved the EVH 2023 pay deal.

For redaction:

8. Date of Next Meeting

- 8.1 The date of the next full Management Committee meeting is Thursday 26 January 2022 at 6.00pm.

CHAIRPERSON'S SIGNATURE:



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