



**Minute of Virtual Management Committee Meeting
held on Thursday 25 February 2021 at 6pm**

PRESENT: Mr T McArthur, Chair
Mr G Maguire, Vice Chair
Ms K Russell, Member
Mrs A Connelly, Member
Mr Z Khan, Member
Mr S McLachlan, Co-optee

IN ATTENDANCE: Ms F McTaggart, Chief Executive
Ms C Quinn, Director of Corporate Services – Secretary
Mr R Dulin, Head of Finance & IT
Mr T McLeod, Head of Property Services
Ms N Salmon, Corporate Services Officer
Mr A McKendrick, Partner, T C Young

The CEO advised that Mr Alastair McKendrick, Partner from T C Young is attending the meeting to present agenda item 5.1 - Rathlin Street Roof update with support from Mr T McLeod, Head of Property Services and asked that this item is discussed first; Mr McKendrick will leave the meeting after the update. Following on from this Mr McLeod will present agenda item 5.6 - Property Services Report and then leave the meeting. Thereafter, the agenda will be followed as normal. The Chair agreed.

1.0 Apologies

1.1 Redacted for confidentiality purposes.

2.0 Declarations of Interest, Gifts and Hospitality

2.1 The CEO declared that she is 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.

5.0 Reports for Decision/Approval

5.1 Rathlin Street Roof Update

5.1.1 The CEO introduced Mr Alastair McKendrick, Partner, T C Young and advised that he will provide an update on the Rathlin Street Roof litigation case.

5.1.2 - 5.1.17 Redacted for confidentiality purposes.

Discussion points:

Question: Redacted for confidentiality purposes..

Response: Redacted for confidentiality purposes.

Action notes:

Following discussion, Members agreed to proceed with court action alongside any settlement discussions.

For redaction:

1.1 and 5.1.1 – 5.1.17, also discussion points and action notes.

At this point Mr A McKendrick, Partner, T C Young left the meeting.

5.6 Property Services Report

5.6.1 The Head of Property Services presented the Property Services report and drew Members attention to the fire safety update at section 5 of the report explaining no decision will be taken regarding fire safety reports until the outcome of the Royal institute of Chartered Surveyors (RICS) proposed new guidance is known.

5.6.2 The Head of Property Services referred to section 6 of the report and provided an update of progress against current contracts.

5.6.3 In relation to staffing, the Head of Property Services advised that 2 out of the 3 staff furloughed in his Department have returned to work. The Property Services Manager interviews have taken place and Katie Russell, the Association's Maintenance Officer has been successful.

5.6.4 The Head of Property Services informed Members that further to last months report regarding acquisitions, Redacted for confidentiality purposes.is the only addition this month as noted in section 8 of the report.

5.6.5 The Head of Property Services stated that due to access difficulties as a result of lockdown, EESSH works have come to a standstill.

5.6.6 The Head of Property Services advised that there has been no fails in relation to gas servicing during January 2021 therefore compliance is 100% for the month.

5.6.7 The Head of Property Services guided Committee's attention to the HOME Team performance against contracts at section 11 of the report and discussed each contract in depth noting that current restriction measures have had a significant impact on many planned maintenance contracts.

5.6.8 The Head of Property Services advised that the roofing and gutter cleaning contract has been performing poorly and explained the reasons for the delays.

The Chair stressed that it is essential the HOME Team perform well from now on to catch up with contracts and generate income especially as the country comes out of the lockdown. The Head of Property Services clarified the reasons for delays to the contracts and the consequences of the stop/start work situation.

- 5.6.9 In relation to the kitchen replacement contract at section 14.1 of the report, a Member highlighted that the deficit figure for the month is actually £67,720. The Head of Property Services noted the typing error.
- 5.6.10 The Head of Property Services drew Members attention to the information contained in the Tenant and Resident Safety report at Appendix 1 and the Assurance Statement Report at Appendix 2.

Discussion points:

Replacement fencing – A Member mentioned their concerns that fences have been blown down and stated that unless the fences are replaced soon there will be none left. The CEO advised that fencing has been brought forward in the 5 year planned maintenance programme approved by Committee and should not have actually started for another 2 years. Adverse weather conditions delayed the start of the fencing contract however, as much as possible will be completed. Nevertheless, kitchen, bathroom and window replacements will remain the priority contracts. In depth discussion followed during which the Head of Property Services reminded Members that the fencing contract was brought forward as a contingency measure only.

Action notes:

Following discussion, Members noted the Property Services Report.

For redaction:

5.6.4

At this point Mr T McLeod; Head of Property Services left the meeting.

4.1 Minutes for Approval

- 4.1 The minutes of the Management Committee Meeting held on 28 January 2021 were approved Mr S McLachlan and seconded by Ms A Connolly as a true reflection of the meeting.
- 4.2 Matters Arising
- 4.2.1 The CEO advised that in relation to section 5.1, written grant awards have now been received from DRS and City Deal. The Development Consultant will provide a full update at next month's Committee meeting.
- 4.2.2 In respect of section 5.3.1 Water Row subsidiary, the CEO advised that approval is sought from Committee to approach MainStreet Consulting regarding options moving forward. The CEO went on to explain the

advantages of using this consultancy firm and noted that if costs are greater than her approval level the quote will be brought back to Committee for approval.

- 4.2.3 In relation to section 5.3.7, the CEO stated that a Working Group will be established to consider options for the Association's 50th Anniversary and asked for volunteers to join the group. The Chair and Vice Chair volunteered. The CEO advised that £50k budget has been set aside and will be managed by the group.

Discussion points:

The Chair asked if there is still a requirement for the CGAP Implementation Group and the CEO replied that there is currently no Heads of Term for the Group hence the Association is unsure of their roles and responsibilities. The CEO explained that the Development Consultant had attended an Implementation Group meeting today and went on to provide Members with an update from the meeting. The CEO advised that Water Row is now a notifiable event and the Regulator will want to see the Heads of Term for the Group and she will progress and report back to Committee.

Action notes:

Following discussion, Members agreed to approach MainStreet Consulting regarding options for a Water Row Subsidiary.

For redaction:

N/A

5.2 Monthly Governance Report

The Director of Corporate Services presented the monthly Governance report, taking Members in detail through the content of the report and highlighting the following points:

5.2.1 Notifiable Events

The Director of Corporate Services advised that there are no live notifiable events other than the one's relating to the monthly COVID-19 return which all RSL's have to provide, Rathlin Street Roof litigation case and the one relating to the Water Row development.

5.2.2 Complaints

There have been no complaints reported to the SPSO.

5.2.3 Management Committee Membership

Redacted for confidentiality purposes.

The Director of Corporate Services noted that some individuals have indicated that they are interested in joining the Committee. Corporate Services will collate a list for Committee to review once initial discussions have taken place to determine levels of interest.

5.2.4 Management Committee Training

The Director of Corporate Services informed Members that Committee appraisals have almost finished, only the Chair and Vice Chair's are outstanding. Once all appraisals have been completed, a training needs analysis will be created and a training schedule agreed.

5.2.5 Tenant Service Improvement Group – Update

The Director of Corporate Services advised that the Tenant Service Improvement Group met on 10 February 2021 and agreed their tenant participation calendar. The Group are scheduled to meet again at the end of March 2021.

5.2.6 Health & Safety Update

The Director of Corporate Services advised that there are no Health & Safety updates of any significance to report.

The Director of Corporate Services described the Health & Safety Working Group and their remit of responsibility and noted that due to the resignation of a Committee Member new Members to the Working Group are required. Mr S McLachlan, Co-optee volunteered to join the group.

5.2.7 Use of Seal

The Director of Corporate Services advised that the seal has been used once since the last meeting on a share certificate, the application was approved at last month's meeting.

5.2.8 Shareholder Application

The Director of Corporate Services advised that there has been one shareholder application request as noted at section 13 of the report. Members unanimously agreed to approve the application request.

5.2.9 Other Governance Matters

The Director of Corporate Services drew Members attention to section 14 of the report and advised them of the rationale behind the need to hold separate meetings to discuss and approve the next financial year's budget.

The Director of Corporate Services then went on to discuss the other governance matters, namely:

- Westfield Health – Survey
- Scottish Housing Regulator – What does the past year mean for the future of social housing and Regulation? Letter from Michael Cameron

5.2.10 The Director of Corporate Services guided Members to Appendix 1, Complaints Handling Report and advised that in relation to Stage 1 complaints the Association is taking an average of 3.7 days to respond against a target of 5 days. The Stage 2 average days to respond is 9.83 days against a target of 20 days. The target response days are set by the SPSO and cannot be changed.

Discussion points:

N/A

Action notes:

Following discussion, Members noted the Monthly Governance Report, agreed new Membership of the H&S Working Group and approved the Shareholder Application request at section 13 of the report.

For redaction:

Paragraph 1 of 5.2.3

5.3 Monthly Policy Report

5.3.1 The Director of Corporates Services informed Members that there are two policies for approval, namely:

- Data Protection Policy
- Fraud & Bribery Policy

5.3.2 The Director of Corporate Services advised that the Data Protection Policy is a new policy being introduced following on from the GDPR audit.

5.3.3 The Director of Corporate Services informed Members that the Fraud & Bribery Policy is not new; it has been updated to reflect the Association's group structure and job titles. No major changes have been made to the policy.

Discussion points:

Question: A Member asked if all Disclosures have been completed for Committee.

Response: The Director of Corporate Services replied that not all Disclosures have come through and she will follow up.

Action notes:

Following discussion, Members noted and approved the Monthly Policy Report and policies at Appendix 1-2 of the report.

For redaction:

N/A

5.4 Group Business Planning Framework

5.4.1 The CEO advised that the Group's Business Plan requires reviewing and Committee's approval is sought for the Business Planning Framework action plan designed to review the Business Plan.

5.4.2 The CEO drew Members attention to Appendix 1 and highlighted the Group's proposed Visions, Purpose, Values and Strategic Objectives. The CEO stated that these have been based on suggestions and recommendations received from Committee. The proposals will be available for one week for Member's consideration and review and if any Member disagreed with them or wanted further clarification they should contact the CEO to discuss.

- 5.4.3 The CEO informed Committee that she proposes the Executive Management Team work on the Strategic Objectives. The Senior Management Team and their staff will work on the Operational Objectives for inclusion in the Business Plan.
- 5.4.4 The CEO advised that she hoped to include part 1 of the Business Plan at the March 2021 Committee meeting and described what will be included in this part. The CEO noted that the usual Committee Business Planning day cannot happen this year due to the COVID-19 restrictions.
- 5.4.5 The CEO reflected that if she has not had any feedback from Committee within the week she will go ahead and work on the proposed Strategic Objectives.

Discussion points:

Action notes:
Following discussion, Members approved the Group Business Planning Framework

For redaction:
N/A

5.5 Monthly Housing Management Report

- 5.5.1 The CEO presented the Monthly Housing Management Report noting that it contains an action plan regarding the Jim Stephen House closure. The CEO stressed that the facility will not be closed until all residents have been rehoused and the situation will be carefully managed. Social Work have agreed to carry out tenant assessments which will help identify suitable rehoming options
- 5.5.2 The CEO advised that the Jim Stephen House action plan will be presented to Committee every month until the facility is closed.

Discussion points:
Question: A Member asked how the new Housing Manager Community Engagement is settling in to her role.
Response: The CEO provided an update regarding the different approaches each Housing Manager used to progress objectives and went on to explain that she is currently working with the entire Senior Management Team identifying strength's, weaknesses, managing change etc.

Action notes:
Following discussion, Members noted and approved the Monthly Housing Management report and Jim Stephen House action plan.

For redaction:
N/A

5.7 QLX Replacement Option Report

- 5.7.1 The Head of Finance & IT presented the QLX Replacement Option Report and advised that Committee's approval is sought to replace QLX.
- 5.7.2 The Head of Finance & IT explained the background, limitations and key issues the Association has experienced using QL.
- 5.7.3 The Head of Finance & IT described the problems encountered by the Factoring Department as QL is not fit for purpose for this part of the business.
- 5.7.4 The Head of Finance & IT went on to clarify the difficulties experienced in the reporting systems within QL noting that they are not suitable for the Association's need.
- 5.7.5 The Head of Finance & IT stated that the QL Support Helpdesk is not providing suitable support to its customers and explained the issues experienced by the QL User Group. The Director of Corporate Services had joined the User Group and became the Chair however, resigned shortly afterwards because the Group was unfit and Aareon UK, QL's owner, appear to be struggling for direction.
- 5.7.6 The Head of Finance & IT informed Members that alternative options were discussed and SDM was considered as it is the UK's leading provider of software to housing organisations and went on to highlight the benefits of this system. Many staff have used SDM in previous employment and are familiar with the system.
- 5.7.7 The Head of Finance & IT drew Members attention to the options at section 3.5 of the report and went through each one in detail before moving on to discuss the QLX versus SDM cost analysis over a 5 year period.at section 3.6 of the report. In depth discussion followed and the Director of Corporate Services emphasised that she considered Aeron UK to be a significant risk for the Association to be associated with them based on her experiences as the Chair of the UK QL User Group.

Discussion points:

Action notes:

Following discussion, Members noted the QLX Replacement Option Report and approved the recommendations at section 2 of the report.

For redaction:

N/A

5.8 Server Refresher Options Report

- 5.8.1 The Head of Finance & IT presented the Server Refresher Options Report and reflected that the current physical servers are over 6 years old and are now at a point that they need replaced.
- 5.8.2 The Head of Finance & IT described the replacement options available and proposed using a combination of a hybrid solution which will include a physical server for SDM and also subscription to Office 365 for email, communications and all other files. Office 365 will be hosted on the "Cloud". The Head of Finance & IT explained the benefits of the hybrid system.

5.8.3 The Head of Finance & IT drew Members attention to the costs at section 3.5 of the report and went through each one in detail.

Discussion points:

Action notes:

Following discussion, Members noted the Server Refresher Options Report and approved the recommendations at section 2 of the report.

For redaction:

N/A

6.0 Reports for Discussion/Information

6.1 Financial Management Report for the 10 months to January 2021

6.1.1 The Head of Finance & IT presented the comprehensive Financial Management Report for the 10 month period to the end of January 2021 and took Members in detail through the report and the 5 following appendixes:-

- Statement of Financial Position (Appendix 1)
- Statement of Comprehensive Income (Appendix 2)
- Office Overheads Breakdown (Appendix 3)
- Key Finance Performance Indicators (Appendix 4)
- Statement of Cash Flow (Appendix 5)

6.1.2 The Head of Finance & IT advised that the Association is in a better financial position than expected as it has spent significantly less money than anticipated on the planned maintenance programme. The planned maintenance programme has been heavily impacted by COVID-19. This has resulted in a positive variance of £1.2M from budget.

6.1.3 The Head of Finance & IT advised that provision was made in the budget for bad debt, write offs etc. however, this has not occurred. In fact, the Association's arrears figures are lower than they have been in the last few years and this appears to be common throughout the sector.

6.1.4 The Head of Finance & IT stated that the loan for the window replacement programme has not been secured as a result of the suspension in the contract due to COVID-19 therefore savings have been realised in this area.

6.1.5 The CEO emphasised that although the cash position is stronger than expected it highlights that a large part of the budget has not been spent this year. However, the budget will be spent on the planned maintenance programme in the forthcoming years.

Discussion points:

Action notes:

Following discussion, Members noted the Financial Management Report for the 10 months to January 2021

For redaction:

N/A

6.2 HOME Team Contract Performance (January 2021)

6.2.1 The CEO advised that the HOME Team Contract Performance (January 2021) Report is presented to the HOME Team Board and is for Committee to note for information purposes only.

Discussion points:

Action notes:

Following discussion, Members noted HOME Team Contract Performance (January 2021) Report

For redaction:

N/A

6.3 HOME Team Financial Management Report for the 10 months to January 2021

6.3.1 The Head of Finance & IT presented the HOME Team Financial Management Report for the 10 months period to the end of January 2021 including the following appendices:

- Statement of Financial Position (Appendix 1)
- Statement of Comprehensive Income (Appendix 2)
- Direct Maintenance Breakdown (Appendix 3)
- Office Overheads Breakdown (Appendix 4)
- Statement of Cash Flow (Appendix 5)

6.3.2 The CEO reflected that the budgets will be brought to the March 2021 meeting and the starting point of next years budget will in effect be the final budget figures for 2020/21.

6.3.3 The CEO reminded Members that the HOME Team have been unable to carry out many of their contracts due to COVID-19 restrictions therefore; the HOME Team budget differs greatly to the original budget projections.

Discussion points:

Action notes:

Following discussion, Members noted HOME Team Financial Management Report for the 10 months January 2021 Report

For redaction:

N/A

6.4 Home Team Projections (updated Guidance January 2021)

6.4.1 The Head of Finance & IT presented the HOME Team Projections (updated Guidance January 2021) Report and discussed in detail the content of the following appendices:

- Statement of Financial Position (Appendix 1)
- Statement of Comprehensive Income (Appendix 2)
- Direct Maintenance Breakdown (Appendix 3)
- Overheads Breakdown (Appendix 4)

6.4.2 The Head of Finance & IT informed Members that the predictions are based on all contracts the HOME Team anticipate completing up to the end of March 2021.

6.4.3 The Head of Finance & IT drew Members attention to the table at section 4.14 and advised that it compares the original budget against the tier 4 restrictions projections being in place for the rest of the year. The table demonstrates a net loss of income of circa £1.4M for the current year.

6.4.4 Redacted for confidentiality purposes.

6.4.7 The CEO clarified that no set timeframe was agreed to pay off the refurbishment loan and described the background to the loan.

6.4.8 The CEO reflected that assuming there is no further lockdowns, the HOME Team should be in a position to pay both the refurbishment loan and start up loan at the end of next financial year as will be demonstrated when next years budget is presented to Committee at the March 2021 meeting.

Discussion points:

A Member clarified if the outstanding contract work for the Association will resume once the restriction measures have been lifted; the Association has not awarded the contracts to other competitors. The Head of Finance & IT confirmed and advised that the expected income from all contracts will resume and be carried forward to future year's budgets. However noted that income from the reactive and voids contracts will be lost income and explained the reason for this.

Action notes:

Following discussion, Members noted the Home Team Projections (updated Guidance January 2021) Report and approved the delay in the repayment of the refurbishment loan.

For redaction:

6.4.4 – 6.4.6

7.0 Any Other Competent Business

7.1 EVH Pay Negotiations -Wages Ballot

- 7.1.1 The CEO asked the Chair to close the meeting so that staff could leave and give Committee the chance to discuss the EVH Pay Negotiations Wages Ballot in private.
- 7.1.2 The Chair agreed and advised that the date of the next full Management Committee meeting is 25 March 2021.
- 7.1.3 The Corporate Services Officer passed the virtual meeting host over to the Chair and all staff left the meeting.

Post meeting note – Members agreed the EVH salary recommendations for April 2021 and April 2022.

Discussion points:

Action notes:

For redaction:
N/A

8.0 Date of Next Meeting

- 8.1 The date of the next full Management Committee meeting is Thursday 25 March 2021 at 6.00pm.

CHAIRPERSON'S SIGNATURE:



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