



DRAFT MINUTES OF THE MANAGEMENT COMMITTEE MEETING

HELD ON WEDNESDAY 28 SEPTEMBER 2022 at 6.30p.m.

MEETING HELD IN THE COMMITTEE ROOM OF THE CO-OPERATIVE'S OFFICES

1. SEDERUNT

PRESENT:

P Waddell (Chair), D Barnes (Vice Chair), D Miller, A Cushingam, C Cooper, C Harvey, C Douglas, R Hartness, G McNaught

IN ATTENDANCE:

K. Mollins – Interim Director; A. Ali – Governance & Business Improvement Manager;
J. Meechan – Temporary Housing Manager

Apologies: J Gracey, M Finnie (temporary Maintenance Manager)

Leave of absence: M. Davidson

2. MEETING OF THE MANAGEMENT COMMITTEE

The Chair welcomed D Miller to the first full Management Committee meeting after her election, and introduced the Members and senior staff.

a) 31 August 2022

i) Minute

The minutes of the Management Committee meeting on 31 August 2022 were approved by D Barnes and seconded by G McNaught.

ii) Matters Arising:

- Page 2, Section 3 -Depositing Cash Reserves

The Interim Director confirmed that the Co-operative successfully completed the deposit of £1m of cash reserves on a high interest accounts at 2.1% to September 2023.

- Page 3, Section 5 – Amendment to Loan Covenants

The Interim Director advised the Committee that the new loan covenants were authorised and legalities concluded between TC Young and RBS's Solicitors, Brodies.

- **Business Planning Day**
The Interim Director clarified that the Business Planning day had been finalised as Friday 11 November 2022. He advised that information would be issued to the Committee in advance of the day.

b) 12 September 2022

i) Minute

The minutes of the Management Committee meeting on 10 August 2022 were approved by A Cushingam and seconded by D Barnes.

ii) Matters Arising:

There were no matters arising.

c) Electronic Business – E-mail dated 15 September 2022

i) Minute

The minutes of the Management Committee meeting on 10 August 2022 were approved by A Cushingam and seconded by C Cooper.

ii) Matters Arising:

There were no matters arising.

d) Master Tracker:

The Interim Director gave an update on the tracker, specifically in relation to key tasks from the meeting in August 2022. He advised there had been good progress on key tasks on the Master Tracker.

The Committee raised the following comments and queries in relation to the master tracker:

- A Member enquired if staff would be attending the session from TC Young about the Co-operative's fully mutual status. The Interim Director advised it would be a Committee only session.
- The interim Director confirmed that the organisation has registered with Glasgow City Council under the 'duty to cooperate', as agreed by Committee in August. On a question from a Committee member, the interim Director informed Committee he had been notified there were currently no registered sex offenders in the Co-operative's area.

3. DECLARATIONS OF INTEREST AND NOTIFIABLE EVENTS

It was noted that Committee and staff will declare an interest as follows:

Staff Members would leave the meeting for the confidential agenda item 14 as directed by the Chairperson.

Committee Members – no known interests to be declared.

The Interim Director advised Committee there was a notifiable event issued to Scottish Housing Regulator in September 2022 which would be discussed under confidential business.

4. AUDITED FINANCIAL ACCOUNTS RETURN TO THE SCOTTISH HOUSING REGULATOR

The Interim Director presented the annual Financial Accounts submission to the Scottish Housing Regulator, which was based on the approved Annual Accounts and was for Committee's information. He advised that the submission outlined key financial information from the financial statements and the format allowed comparison with the previous year (2020-21).

The Committee noted the content of the report.

5. COVENANT COMPLIANCE REPORT

The Interim Director presented FMD's Covenant Compliance Certificate and annual return to our lenders, Royal Bank of Scotland. He advised the Committee of the Covenant compliance against the two financial covenants (Interest Cover and Gearing), which included workings based on the annual financial statements and other information.

The Interim Director confirmed there was compliance against the covenants and recommended the Committee approve the Covenant Compliance Certificate and delegate him to sign this off and issue to RBS.

A Committee member asked if the Audit and Finance sub-committee receives more regulator information on items such as this. The Interim Director confirmed that the AFSC would receive a quarterly treasury management report and the covenant compliance would form part of that report too.

The Committee's approved the compliance certificate and delegated authority to interim Director to sign off and issue to RBS.

6. HOUSING MANAGEMENT QUARTERLY PERFORMANCE REPORT

The Temporary Housing Manager presented her report on the work and performance of the housing management service for quarter 1 of 2022-23 (April to June 2022) and highlighted the following:

- **Rent arrears** – Balance at 30 June 2022 was **£106,638**. The receipt of the 13th HB backdate payment coupled with ongoing arrears recovery, reduced the balance to **£80,326**, representing **2.77% of total rent due**.
- Areas where Housing Service's' performance in the quarter which requires further work:
 - **Total current Rent Arrears** – Whilst the outstanding balance has reduced, our performance in this area still requires further work. A review of the Arrears strategy is scheduled to assist in the arrears' recovery process. The processes within the strategy will be reviewed to ensure more face to face interviews with tenants and a more streamlined approach.
 - **Non-technical arrears** – advised that this will be available at next meeting
 - **Court action cases** – discussions with Housing Officers has determined that there requires to be a more proactive approach to serving Notices of Proceedings where broken arrangements have occurred.
 - **Property and garden inspections** – This work is carried out by the part-time Housing Assistant once per week and discussions have highlighted the need for a more structured approach to engage more with tenants which is being addressed.

The temporary Housing Manager highlighted other on-going areas in Housing Management's work that the Committee should be aware of to inform their strategic role:

- **Voids** – Whilst our void loss performance remains relatively low, this has been impacted by the ongoing issues around the availability of contractors. It is anticipated that performance will improve once this matter has been rectified.
- **Factoring Arrears** – This work is ongoing as there are significant gaps in the information held within the IT system. The outstanding balance includes invoices that were recently raised for Q4 2021-2022 and Q1 2022-2023 with some major repairs carried out.
- **Benchmarking** – Currently waiting on the EHRA benchmarking information and this should be available for the next committee report.
- **Fuel Support** funding application had been made to the SFHA for the sum of £104,100. This represents a payment of £150 per individual tenant. Unfortunately, the organisation was unsuccessful in securing this funding however it was expected that further funding will become available.
- **Residents focus group** – ten names have been secured for the residents' group and first meeting is being scheduled.

The Committee raised the following comments and queries in relation to the report on the housing management service.

- i. A Member asked if the organisation still needed to commit to a 50% target for homeless referrals. The temporary Housing Manager confirmed this was the case. There was some discussion around this target historically being difficult to achieve.

- ii. There was some discussion around the factoring arrears which appeared high. The temporary housing manager advised that two invoices have just recently been issued for Q4 (2021-22) and Q1 (2022-23) which has significantly impacted the arrears levels for owners. The understanding is that owners were expecting these bills and are aware that invoices have not been issued for some time due to some challenges in the finance team. The Housing Management team would work with the owners to get payments up to date and manage any arrears. There was discussion around the challenges of debt recovery from factored owners.
- iii. A Member enquired what the position was around Notice of Proceedings when evictions were banned. The temporary housing manager confirmed that Notice of Proceedings are still being issued and the ban only applied to eviction, not legal action.
- iv. On a question about the figure quoted for current tenant arrears in Q1, the temporary housing manager advised she would re-check her calculation and confirm the figure to Committee.

The Committee noted the content of the report.

7. REPORT ON THE SCOTTISH GOVERNMENT'S RENT FREEZE

The Interim Director presented his report on the Scottish Government's Rent Freeze and highlighted the following:

- The Scottish Government has passed legislation to freeze rents and for there to a moratorium on evictions to support tenants with the cost of living crisis to 31 March 2023
- The rent restriction is specifically targeted at the private rented sector, as RSLs rents are not scheduled to be reviewed until 1 April 2023.
- There is uncertainty within the sector whether the Scottish Government will impose further rent restrictions beyond 31 March 2023.
- The report details the financial implications of a rent freeze or a 3,5 and 7% increase against a 10% inflation and he summarised;
 - A significant reduction in cash at the end of our 30-year plan between 93% and 23% based on a rent freeze and 7% increase;
 - There were deficit years in the 30-year plan in a rent freeze, as well as 3% and 5% increase, which would see cash reduce to £5.2m, £2.4m and £0.9m, respectively
 - There would be a covenant breach in the rent freeze and 3% increase in year 2, which would have to be managed. The variance in the covenant breach was £98K and £13k, respectively, although we would have to ensure sufficient headroom.
- The SFHA, GSWF and EHRA were lobbying the Scottish Government on the implications of rent restrictions on the sector post 1 April 2023.

The Management Committee raised the comments or questions on the Scottish Government's rent restrictions.

- There was some discussion amongst Members about the point of carrying out any rent consultation if there was to be a rent freeze. The interim Director advised that consultation was a legal requirement and would still need to be carried out.

- A Member commented that legislation on this matter had not yet been passed and in reality, the business would make financial adjustments such as reduce repairs and/or other costs to manage the impact of any rent freeze. There was agreement that the current economic climate with inflation running high and protentional restrictions on rent increases was very challenging for social landlords.
- There was discussion around the prospect of rent arrears increasing and a Member commented that with evictions being banned, many tenants will struggle with higher living costs and some tenants in arrears may choose not to pay their arrears.
- Another Member commented that even if there was rent cap and not a rent freeze, with inflation level projections for next year being so high, any rent cap would effectively be similar to a freeze.

The Committee noted the content of the report.

8. MAINTENANCE SERVICE QUARTERLY PERFORMANCE REPORT

The Interim Director presented his report on the work and performance of the maintenance service for quarter 1 of 2022-23 (April to June 2022) and highlighted the following:

- Estate caretakers carried out close cleaning, landscape maintenance and waste collection in quarter 1 – the team of four caretakers was supported by apprentices
- 100% of closes were cleaned and just under 20 tonnes of bulk was uplifted from around the estate
- Reactive repairs budget for Q1 had an underspend due to a number of reasons such as the milder weather, and the installations of adaptations being affected by Turner's withdrawal from the repairs and maintenance market
- A slight underspend was reported in the Cyclical budget for Q1. Gas servicing programme is on schedule and EICRs are in progress with some issues with access to properties.
- Planned maintenance budget also showing an underspend. Two kitchens were replaced and four boilers were replaced
- Reactive repairs performance (all contractors) showed that 97.41% of emergency repairs were completed within the target of four hours (KPI target of 95%) and 65.28% of non-emergency repairs were completed within the target of four days (KPI target of 90%). The latter was primarily affected by Turner's withdrawal from repairs and maintenance market
- Progress with policy reviews for Maintenance was noted, with a timeline provided for upcoming policy reviews

The Committee raised the following comments and queries in relation to the report on the maintenance service:

- i. A question was asked about the comparison of costs/savings of local contractors with that of the outgoing contractor Turners. The Interim Director advised that these calculations are currently being worked on and an update will be provided in due course by the Maintenance Manager.

The Committee noted the content of the report.

9. MAINTENANCE TERM CONTRACT

The Interim Director gave an update on the Maintenance Term Contract through Turners, which has been terminated and scheduled to end on 30 September 2022 and highlighted the following;

- More contractors are being added to the network, including those that provide multi-trade services, providing greater flexibility and ability to complete repairs orders
- In recent weeks, more emergency repairs were completed by Gas Sure instead of full reliance on Turners with their exit on 30th September

The Committee raised the following comments and queries in relation to the Maintenance Term Contract:

- i. A Committee Member asked if Turners had been carrying out emergency and out of hours repairs. It was explained that they had indeed been carrying out these types of repairs, however in recent weeks more emergency work had been undertaken by Gas Sure. It was acknowledged that the transition from Turner's exiting the market had been challenging and some tenants had to wait longer for repairs to be completed, however it was felt that the organisation now had a more viable and flexible maintenance service.
- ii. A Member asked if a local contractor had to make a number of return visits to complete a repair, would they invoice for each visit. It was explained contractors would be paid for individual jobs to be completed irrespective of the number of visits required for completion.

The Committee noted the content of the report.

10. MINI CONFERENCE

The Governance & Business Improvement Manager provided an update on the arrangements for the Committee mini-conference event scheduled for Friday 30 September – Sunday 2 October 2022 and highlighted the following;

- Committee were reminded of the travel arrangements and the plan for the conference.
- It was explained that Committee would receive expenses on the first day of the conference in line with the Committee Expenses Policy.

The Committee raised the following comments and queries in relation to the Committee Mini-Conference event:

- There was some discussion around the possibility of an entertainment allowance for Members as had been paid at previous training conferences. Committee agreed that

an entertainment allowance of £20 would be paid to each Member attending the conference in line with similar arrangements at previous mini-conferences.

11. REPORT ON MEMBERSHIP

The Governance & Business Improvement Manager presented the report and sought Committee approval for the memberships issued and cancelled.

- New Shares – Member Numbers 1464,1465,1466 and 1467
- Cancelled Shares – Member Number 1402, 871

The Committee approved the report.

12 SCHEDULE OF COMMITTEE MEETINGS 2022-23

The Governance & BI Manager presented a schedule with the Committee meetings between October 2022- September 2023 for the:

- Management Committee
- Audit & Staffing SUB-Committee
- Annual General Meeting

The Committee noted the schedule of meetings for 2022-23.

13. HEALTH & SAFETY SIGNING

The Governance & Business Improvement Manager presented her report on the annual signing by Committee to reflect their responsibilities in Health & Safety, which included:

- An overview of the Management Committee's responsibilities for health & safety;
- Arrangements for the annual signing by all members of the Management Committee; and the arrangement for the annual signing of the H&S Policy Statement by the Chairperson and Interim Director.

The Committee noted the report and the Governance & Business Improvement will arrange signing of relevant H&S documents as noted in the report.

15. A.O.C.B

- a) Committee Christmas Event



The Interim Director asked the Committee if they would consider plans for a Committee Xmas event. After discussion, it was agreed that a Christmas event would be held for Committee, with suggestions for the event being brought to Committee at next month's meeting.

b) Co-opted member

The Interim Director advised there were 12 members on the Committee and scope for one further Co-optee on the Management Committee. The Committee already has three co-options and this can be raised to four.

It was agreed that an advert would be placed for a further Co-optee seeking relevant skills required by the Committee. There was a question about the resident panel and the Housing Manager confirmed that 12 names had been secured and a first meeting was scheduled.

c) MacMillan Coffee Morning

The Interim Director advised the Committee that staff held a coffee morning on 16 September 2022 and raised £852.86. It was proposed that the Committee donate £147.14 to round up the donation to £1000.

The Interim Director advised the Committee of key considerations for any donation as listed in the Donations, Gifts and Hospitality Policy:

- The maximum donation was £150
- It was seen that the donation fell it to set criteria for donations, as listed:
'2. the organisation is based within the G34 area or is providing specific local services to residents living in properties owned or managed by the Co-operative'.

MacMillan provide cancer support services in the communities owned by the Co-operative.

The Committee approved a donation of £147.14

K. Mollins, and A. Ali left the meeting

14. CONFIDENTIAL BUSINESS

The Committee attended to confidential business

16. DATE OF NEXT COMMITTEE MEETING

Management Committee - Wednesday 26 October 2022 at 6.30p.m. to be held in the Committee room in the Co-operative's office.