



CATHCART & DISTRICT HOUSING ASSOCIATION LTD

MINUTES OF THE FULL COMMITTEE OF MANAGEMENT MEETING HELD ON TUESDAY 26 MARCH 2024 AT 6.30 PM IN THE ASSOCIATION'S OFFICES AT 3-5 RHANNAN ROAD

PRESENT:

Committee Member	Attended	Apologies
Alastair Penney (Chair) (Zoom)	✓	
Marion McMillan (Vice Chair)	✓	
Chris Carr (Treasurer)	✓	
Sue Harper	✓	
Bruce Strathearn		✓
Betty Carter		✓
Trudi Tokarczyk	✓	
Gamal Haddou	✓	
Patricia Crockett	✓	
Lesley Dunan	✓	

Attendance 80%

IN ATTENDANCE:

Staff Member	Attended	Apologies
Christine Leitch	✓	
Lorraine Glasgow		✓
Grahame Cairns	✓	
Emma Connelly	✓	
Hayley Smith	✓	
██████████ (Zoom) (Items 1-2)	✓	
Sean O'Sullivan (Items 1-7)	✓	

Item No.	Issue	Action By
1.0	Apologies, Declarations of Interest & Notifiable Events	
1.1	Apologies were received from BC and BS.	
1.2	There were no declarations of interest.	
1.3	There were no notifiable events to report.	
2.0	Internal Penetration Test Overview	
2.1	MM introduced ██████████ from ██████████. <i>Section redacted due to cyber security.</i> ██████████ left the meeting at 6.40 pm.	
3.0	Minutes of the Full Committee of Management Meeting 20 February 2024	
3.1	The minutes of the Management Committee meeting held on 20 th February 2024 were proposed for approval by SH and seconded by LD.	
4.0	Matters Arising	
4.1	Christine referred to item 6.5 and explained that she received an email from ██████████ this week regarding bulk uplift. The council have confirmed they are not	

4.2	<p>going to add on any dumping charges and have indicated that going forward this will be the case. The council recognises the effort that housing associations are making in keeping the city clean.</p> <p>Follow Up Actions Report Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p> <p>11.1.1 Committee Member Induction Policy Emma has added a link to the Committee biographies on the website.</p> <p>11.1.2 Rent Setting Policy A section has been added on new build rents and benchmarks. Debit card has also been changed to payment card.</p>	
5.0	Minutes of the Finance & Audit Sub Committee Meeting 27 February	
5.1	The minutes of the Finance & Audit Sub Committee meeting held on 27 th February 2024 were proposed for approval by TT and seconded by CC.	
6.0	Matters Arising	
6.1	There were no matters arising.	
6.2	<p>Follow Up Actions Report Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p> <p>2.1.6 Questions on the Management Accounts GH enquired about the insurance claims under debtors. Jonathan has confirmed we have █████ held in our reserve to match against the █████ current open claims.</p> <p>9.0 Internal Penetration Test Report The Committee asked if █████ could provide some commentary on the internal pen test. Emma has included █████'s comments in the minutes.</p> <p>█████ attended the Committee meeting tonight and delivered an overview of the findings of the internal penetration test.</p>	
7.0	Final Annual Budget 2024/25	
7.1	<p>Sean provided an overview of the final annual budget for 2024/25. He reported that there was a projected surplus for the year of █████ which is an improvement from the draft budget of approx. █████. Rent increases are set at █% and █% depending on the size of the property.</p> <p>Sean noted the budget assumed a salary increase of █% but since that was done, it is now agreed at █% so there will be a slight variance. He advised there is a slight change in the structure with senior staff changing to compressed hours and this has brought the salary costs down slightly.</p> <p>Sean explained there is no movement in the statement of comprehensive income compared to the draft budget, however, there is a slight increase in depreciation because of an increase to component costs by █████. Grahame confirmed the increase in component costs is for window replacements. Another large change is in subscriptions due to █████ and █████ being removed.</p> <p>Sean referred to the statement of financial position and advised there are sizeable changes to housing properties and grants due to the house sales that have taken place.</p>	

He explained the draft budget included a lot of house purchases; however, they were looking to get more accurate costs on timing, grants, properties and rent charges so this has been removed from the final budget. Sean expressed that there will be more income if there are more rental properties, however, it is difficult to put a figure on this and an estimate on the timing of when this will happen.

Sean detailed there is a minimal change in the closing cash from the draft budget of approx. [REDACTED] and this leaves net assets at [REDACTED]. He reported there are no issues in terms of covenants for the year and there is headroom of approx. [REDACTED].

GH asked what the rationale behind the [REDACTED] subscription being removed. Christine advised that we have agreed to stay with [REDACTED] and [REDACTED]. She added we have agreed to pull away for a year. CC asked if any others were pulling out too. Emma added that [REDACTED] has left [REDACTED]. TT advised there are duplications of being a member of [REDACTED] and [REDACTED] and it is up to the Association to pick which best represents their interests. Sean expressed that [REDACTED] fees are very expensive compared to [REDACTED].

GH commented it is not worth changing the budget to take into account the extra increase of [REDACTED]% to salaries as this is too much work. He added that [REDACTED] has also reduced his hours which was not in the text but may be in the figures.

GH explained that Sean's point is valid about where to put rental income for the acquisitions and suggested that an assumption could be made mid-year as our assets will be greater at the year-end than what was budgeted. Sean advised that fixed assets would be a lot higher but the HAG to be deferred would also be a lot higher.

Sean asked Christine if there had been a lot of acquisitions. Christine confirmed we have purchased [REDACTED] properties to date and there are another [REDACTED] coming through in April. She expressed it has taken off much more than expected and we have purchased properties at home report value or DV valuation, apart from [REDACTED]. Christine explained we have been able to cherry-pick the properties we wanted and managed to avoid the ones that required a lot of work.

Sean explained Fettes's thinking was to take account of the acquisitions in the 5-year financial projections to the Regulator and the 30-year projections for the bank and just roll on with the budget at present. Christine advised she was proposing to keep [REDACTED] of the [REDACTED] held on deposit as a separate pot for the repairs required to make the acquisition properties lettable. She suggested we could add new codes to the system so we can reconcile this with that budget.

GH suggested that the cost of [REDACTED] for the cost consultants should be in the budget. Sean explained that there is [REDACTED] for miscellaneous allowance in the professional fees budget which would cover the bulk of this. Christine pointed out that some of this will be used for the asset management strategy.

Grahame advised that there are indicative savings of [REDACTED] for the gutter cleaning programme which will offset some of this. MM asked why there was a saving on the gutter cleaning programme. Grahame explained a lot of the work is done with scaffolding, but we have come across a contractor that goes through the skylights. MM asked when the programme would start. Grahame confirmed we are waiting for the new financial year.

	<p>Sean asked the Committee if they wanted a new budget issued with those changes or if they were happy to take into account the changes in the projected outturn for each quarter. The Committee agreed to keep the current budget.</p> <p>The Final Annual Budget for 2024/25 was proposed for approval by GH and seconded by AP.</p> <p><i>Sean left the meeting at 7 pm.</i></p>	
8.0	Finance	
8.1	<p>Finance Report</p> <p>Christine provided an overview of the finance report and covered the bank reconciliation, transfers, and regular payments.</p> <p>SH asked what a moisture meter is. Christine detailed that this was purchased for Jonathan, and it measures moisture levels. She added it is useful to see if there is dampness in a wall or if it is condensation. SH queried why there were repairs through for [REDACTED] as she thought they only did the [REDACTED]. Christine confirmed they do [REDACTED], and this would have gone through as a repair.</p> <p>GH asked about the payment from [REDACTED] for the fence rebuild. Christine explained there was a collapsed drain within the common grounds and Jonathan ascertained that [REDACTED] may be responsible. The Association fixed this and [REDACTED] reimbursed us for the work.</p> <p>Christine proposed that of the [REDACTED] which was on deposit we hold a fund of [REDACTED] for repairs and improvements to the acquired flats. It would be a sound investment which in return we would receive [REDACTED] of HAG funding. The Committee agreed to this.</p>	
8.2	<p>Factoring Arrears Report</p> <p>Christine summarised the factoring arrears report. She then provided an update on the serious arrears cases.</p>	
9.0	Directors Report	
9.1	<p>Regulatory</p> <p>Christine confirmed there are no engagement issues with the SHR. They have issued our engagement plan; however, this has not been published yet. The engagement plan confirms that CDHA is compliant and meets regulatory requirements and the standards of governance and financial management.</p>	
9.2	Governance and Policy Matters	
9.2.1	<p>SHR New Regulatory Framework 2024</p> <p>Christine informed the Committee that the SHR has now published its new Regulatory Framework which comes into effect from 1st April 2024. This replaces the previous version which has been in place since 2019. Christine highlighted that there are not any significant changes. She then summarised the changes to the framework.</p> <p>MM commented it is good that we can discuss notifiable events with our Regulation Manager. Christine added she spoke to our previous Regulation Manager about [REDACTED]. The SHR is going to publish an annual report on the types of notifiable events they receive.</p>	

<p>9.2.2</p>	<p>Fair Work First Christine explained that it is now a requirement of all grant funding that grant recipients are compliant with the Fair Work First principles. She highlighted the joint █████/█████ Fair Work First Statement that went to the Committee meeting in October and was uploaded to our website after it had been approved by the Committee.</p> <p>Christine advised that this has come to light again due to the recent HAG offer and she has made the statement more bespoke to CDHA.</p> <p>She referred to page 93 of the papers and confirmed there is no gender pay gap. She suggested we could change this to say we adhere to █████'s terms and conditions and meet equality and diversity. GH commented there is a very specific calculation for the gender pay gap. The Committee then discussed this further and agreed to remove that sentence.</p> <p>Christine explained she has been trying to gain accreditation from the █████ █████ on the real Living Wage, however, we have to wait until the new salary scales are agreed. It was highlighted that the rates announcement for the real Living Wage is in October, but █████'s new salary scales are applicable from 1st April. In order to gain accreditation, those on the bottom of the scale must be paid the real Living Wage at that point.</p> <p>CC suggested using the term employees rather than staff. GH asked why. CC advised that employees seem more modern, and staff is more hierarchal. He added this is also more consistent. Christine confirmed she would make this change.</p> <p>The Committee approved the Fair Work First Statement subject to those changes being made.</p>	<p>CL</p> <p>CL</p>
<p>9.2.3</p>	<p>█████</p> <p>Christine explained she had a meeting with █████ from █████ and they discussed that the Association was not rejoining █████ this year. Christine has agreed for █████ to give a half-hour demonstration of their new █████ system at the █████ meeting which is more interactive and easier to access.</p>	
<p>9.3</p>	<p>Staffing <i>Section redacted due to confidential information.</i></p>	
<p>9.4</p>	<p>Development <i>Section redacted due to commercial sensitivity.</i></p>	
<p>9.5</p>	<p>Acquisitions <i>Section redacted due to commercial sensitivity.</i></p>	
<p>9.6</p>	<p>Bulk Uplift Christine reiterated the council is not going to charge us for dumping.</p>	
<p>9.7</p>	<p>Committee Training Christine mentioned that the sustainability training went well.</p>	
<p>9.8</p>	<p>Internal Auditors Christine advised that tenders for the internal audit services were returned, and these were opened by MM and TT.</p>	

	<p>█████ was the most commercially advantageous and a meeting will be arranged with them to schedule the annual internal audit programme.</p>	
9.9	<p>█████ Consultation Christine explained that █████'s response to the Scottish Government's consultation on a new Social Housing Net Zero Standard is included at Appendix 2. She added that MM attended the open meeting last week.</p>	
9.10	<p>EVH Wage Negotiation <i>Section redacted due to confidential information.</i></p>	
10.0	Rent Arrears Report	
10.1	<p>Grahame provided an overview of the rent arrears report. He highlighted that the arrears went up slightly, but he has taken the viewpoint that February has fewer days, and some payments may have gone over to the next month.</p> <p>GH suggested that we may have reached a plateau. Grahame expressed he does not think this is the case as our employees are chasing tenants for payment and █/█ cases are going to court.</p>	
11.0	Responsive and Void Maintenance Procurement	
11.1	<i>Section redacted due to commercial sensitivity.</i>	
12.0	Committee and Staff Away Day	
12.1	<p>Emma explained that the Committee and Staff Away Day will be held on █████ from 10 am to 3 pm at █████.</p> <p>She has contacted various speakers and asked the Committee to choose 3 presentations out of the list of 5. The then Committee agreed on their preferred presentations.</p>	
13.0	Committee Appraisal Process	
13.1	<p>Christine explained that the Committee appraisals were carried out last year in-house. The appraisal process was discussed with MM and TT when they were in the office to open the internal audit services tenders and it was suggested that we do this internally again given we are already in March and there has not been much change to the Committee structure.</p> <p>Christine advised she was looking for Committee approval to carry out the appraisals internally this year and we can schedule to put out a tender in November for someone external to carry out the appraisals next year. The Committee agreed with this.</p> <p>Christine explained we are holding a Committee Information Day and we have invited along a number of tenants identified by the housing team with a view of them joining the Committee at the AGM.</p> <p>Emma asked if the Committee were happy to return the appraisal forms at the Management Committee meeting being held on █████ █ █. The Committee agreed. GH suggested using Microsoft Forms so the Committee can fill this in online. Emma agreed to use Microsoft Forms and would also provide a paper copy.</p>	EC
14.0	Policy Review	
14.1	Before the undernoted policy was approved, an overview was given.	
14.1.1	<p>Openness and Accountability Policy Emma highlighted there are very minor changes to the policy such as Privacy</p>	

	<p>Policy has been updated to Data Protection Policy, the date of the publication scheme has been updated and the mention of subsidiaries has been removed.</p> <p>GH highlighted there was a mistake in the policy review date. Emma agreed to amend this.</p> <p>The policy was proposed for approval by SH and seconded by PC.</p>	EC
15.0	Date of Next Meeting	
15.1	The next Management Committee meeting will be held on 16th April 2024 at 6.30 pm. There being no further business, the meeting closed at 8.00 pm.	