



CATHCART & DISTRICT HOUSING ASSOCIATION **LTD**

MINUTES OF THE FULL COMMITTEE OF MANAGEMENT MEETING **HELD ON TUESDAY 15 MARCH 2022 AT 6.30 PM** **VIA ZOOM CLOUD MEETINGS**

PRESENT:

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

IN ATTENDANCE:

Staff Member	Attended	Apologies
Christine Leitch (Secy)	✓	
Lorraine Glasgow	✓	
Morna Smillie	✓	
Emma Connelly	✓	
Joe Dewar	✓	
Martin Ritchie	✓	
Fettes McDonald	✓	
Lorna Ravell (Observer)	✓	

Attendance 82%

Item No.	Issue	Action by
1.0	Apologies, Declarations of Interest & Notifiable Events	
1.1	Apologies were received from BS and CC.	
1.2	There were no declarations of interest.	
1.3	There were no notifiable events to report.	
2.0	Regulatory Compliance Review Report	
2.1	<p>Marion introduced Joe Dewar to the Committee.</p> <p>Joe advised the purpose of the regulatory compliance review is to carry out a review of the compliance contracts of works currently in place and identify areas of non-compliance to put together an action plan. The main objective is to safeguard tenants and residents safety which is one of SHR's key priorities along with governance. Joe sent Christine an extract from a speech made by SHR's Director Helen Shaw which further emphasises that tenants and residents safety is a priority area. Joe then provided more information on his appointment and advised he is CDHA's asset and compliance consultant. He pointed out the recommendation of the report is for the Committee to note progress and further updates will be presented going forward.</p>	

Joe explained he and CDHA's asset management team conducted a review of all the compliance contracts and that this is a very time consuming and administrative process. He noted it has been difficult extracting data as some evidence has been held in various folders and files. Joe and the team are reviewing the evidence based documentation and certification to ensure the compliance contracts are valid, fit for purpose and that the Association is receiving value for money. Regular meetings have been held with Joe, Christine, and the team to ensure progress is being maintained and for him to provide further support and guidance. He expressed the meetings have been very constructive and staff have been open and transparent.

Joe reported the asset management team is working on improvements to the non-compliant areas along with the evidence based documentation. He detailed we are working on putting together a system driven report and the team is inputting information onto the Association's system for reports to be extracted. Joe confirmed we will only go through the review once and then it is just a continuation of updating the data. The exercise will assist with the stock condition survey programme which has recently been undertaken. Joe added this will form part of the compliance review moving forward and can also form part of any wider strategic review of asset management/compliance and business planning review.

Joe referred to Appendix 1 which highlights all 25 compliance areas. The boxes highlighted in red are the items that are regulatory, statutory, or legal requirements. Some areas are fully compliant but there are also some areas of non-compliance. He then assured the Committee not to worry as the certification and evidence is there it is just a matter of finding, locating, and reviewing it.

GH commented it sounds like a problem that it is difficult gathering the information and evidence and asked how the Committee has assurance in this area. Joe advised Christine completed SHR's survey on tenant health and safety and he and Christine have been reassuring the Regulator on the areas where the Association is compliant. He confirmed we know the certification is there but we are just trying to find and locate it. Joe detailed that when he carries out a review he has to see the evidence such as certification or contract documentation. Certification is held across various folders and staff is trying to put this into one reporting document tool and utilise the housing management system. Joe noted gas servicing is 100% compliant as we have a spreadsheet that states this but we have to check all of the CP12 documentation.

Joe explained he will add a current and previous update in the report going forward so the Committee can check how the action plan is progressing. Christine added the action plan is much more than the current requirement under SHR's framework. She advised we have extended the requirement for compliance by covering what is required but by introducing good practice too. Joe expressed that CDHA is going above and beyond and are well ahead of the game.

Joe then summarised the consequences of Covid-19 and Brexit such as on contractors and manpower resources, materials increasing around 15-20% which will affect budgets moving forward, staffing and working practices, and also access to carry out works.

	<p>Joe reiterated the tenant health and safety survey has been completed and submitted to the SHR. The Regulator will publish the outcome of the survey in April. Joe delivered compliance awareness training to CDHA staff and it was a very informative and engaging session.</p> <p>Joe concluded that in terms of CDHA's current position, there are (figure redacted) areas of full compliance that need to achieve 100%. The Association has full compliance within (figure redacted) of these areas and there are (figure redacted) areas of non-compliance which have been developed into an action plan. He expressed he is quite confident that we will achieve 100% compliance in July. A report will be presented to the Committee at the August meeting but updates will be provided in between then.</p> <p>Joe asked if anyone had any comments or questions on the report. SH commented that she found the report easy to read.</p> <p><i>Joe Dewar left the meeting at 6.50 pm.</i></p>	
3.0	Internal Audit Reports	
3.1	<p>Assurance Review of Governance – Regulatory Standards</p> <p>Martin explained this audit focuses on the annual assurance statement and they look at the process and carry out a review of the evidence bank focusing on each of the 7 regulatory standards. He advised that they have provided substantial assurance which is the highest level available to give. They found that there is quite a robust evidence bank in place in relation to the regulator's requirement for the assurance statement.</p> <p>Martin then summarised the key findings and recommendations. He reported more information can be found in Appendix C which summarises their findings on each of the regulatory standards.</p>	
3.2	<p>Assurance Review of Planned and Cyclical Maintenance</p> <p>Martin explained that the auditors have only been able to provide limited assurance in this area and there are more significant issues raised in this report.</p> <p>Martin then summarised the key findings and recommendations.</p> <p>GH asked if there is a correlation between this report and the landlord compliance report. Christine confirmed the only correlation is the difficulties we have experienced in finding maintenance documentation and information on the maintenance section as a whole. Christine has asked the auditors if they can carry out this audit again in a year's time so we can get more assurance in this area. She explained as a result of the landlord compliance work and the planned maintenance audit, we have organised additional training for the maintenance department, collating information and restructuring the filing system, and having a general tidy up.</p> <p>TT commented it does not look great, but the Committee all agreed that this was a priority.</p>	
3.3	<p>Follow Up Review</p> <p>Martin explained every year they review and provide an update on the implementation of previous recommendations arising from internal audit reviews. He reported there were (figure redacted) recommendations, (figure redacted) were implemented and (figure redacted) remain outstanding but</p>	

	<p>these have been communicated to Lorraine. Martin and Lorraine have agreed on what actions will be taken and there is a revised implementation date of (date redacted).</p> <p>The Internal Audit Reports were proposed for approval by SH and seconded by GH.</p> <p><i>Martin Ritchie left the meeting at 7.00 pm.</i></p>	
<p>4.0</p>	<p>Final Budget 2022/23</p>	
<p>4.1</p>	<p>Fettes explained the Committee recently discussed the draft budget in February and there has not been much change. He noted the tender costs were confirmed for (address redacted) and the budget has been amended to reflect the higher costs for the project of (figure redacted). The Association will receive grant of (figure redacted). There is also the inclusion of a server estimated at (figure redacted). These two changes result in a slight change to amortised grant income and property and other fixed asset depreciation.</p> <p>Fettes reported the loan interest rate has been changed and we were using a Bank of England base rate of (figure redacted) but this has been increased slightly. The overall impact is that the surplus reduces by (figure redacted) and the cash balance reduces by (figure redacted).</p> <p>Fettes pointed out the main assumptions are largely as before. There are no issues with regards to loan covenant compliance and there is a headroom of approx. (figure redacted) in the interest cover covenant. He expressed the cash position is fine and the ratios show reasonable outcomes. Fettes confirmed the long-term projections will be updated on receipt of the updated maintenance plans. He advised the budget will be monitored during the year with the quarterly management accounts.</p> <p>Fettes explained we have to send an updated Business Plan to the bank at the end of May. Christine explained we are holding the business planning away day on 17th May and we will add the final touches then. She noted the Business Plan was fully updated last year. Fettes advised the last stock condition survey was undertaken in (date redacted) and he expects there to be an uplift in costs.</p> <p>MM referred to page 51 and highlighted that under expenditure major repairs are showing as (figure redacted). Fettes explained the major repairs that appear in the statement of comprehensive income, also known as the income and expenditure account are the non-capital and non-component repairs. He detailed that under item 2 on page 55 there are comments on the balance sheet and it notes component replacements and the various works in relation to (address redacted) and possibly (two addresses redacted).</p> <p>GH asked Christine if she was going to provide a target for the level of the arrears. Christine explained she and Morna have been working on this and she had planned to provide new KPIs at the April meeting which will include the rent arrears target. She added that Morna has been speaking to other housing associations to get a flavour of what is a realistic target.</p> <p>The final budget 2022/23 was proposed for approval by TG and seconded by SH.</p> <p><i>Fettes McDonald left the meeting at 7.10 pm.</i></p>	<p>CL</p>

5.0	Minutes of the Full Committee of Management Meeting 15 February 2022	
5.1	The minutes of the Management Committee meeting held on 15 th February 2022 were proposed for approval by SH and seconded by AP.	
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>7.2 Hybrid Meeting Solution Emma detailed we have purchased the Meeting Owl Pro which is a video conferencing device with a 360-degree camera that tracks the speaker. She spoke to TT who advised David Bookbinder stated a lot of housing associations are investing in the owl.</p> <p>7.4.3 Equipment Replacement Policy Emma has changed the wording from '(Company redacted)' to 'mainstream supplier'.</p>	
7.0	Minutes of the Finance & Audit Sub Committee 22 February 2022	
7.1	The minutes of the Finance & Audit Sub Committee meeting held on 22 nd February 2022 were proposed for approval by GH and seconded by PC.	
8.0	Matters Arising	
8.1	There were no matters arising.	
8.2	<p>Follow Up Actions Report Emma went through the key highlights and actions taken arising from the meeting. She noted the following:</p> <p>9.1 Arrears Presentation Christine contacted (name redacted) from (Company redacted) and he has quoted (figure redacted) for the below 12-month package:</p> <ul style="list-style-type: none"> • (figure redacted) UK credit reports • (figure redacted) trace clicks • (figure redacted) consumer credit reports <p>10.3 Proposed Factoring Charges Lorraine and Andrew have put together a comparison of the factoring charges and Lorraine will present this later on in the meeting.</p> <p>10.4.1 Risk Management Policy Sickness absence monitoring was mentioned twice and Emma has removed the duplicate entry. She also updated the current likelihood and current impact on page 104.</p> <p>10.4.2 Anti-Bribery Policy The policy now refers to the Anti-Fraud and Corruption Policy.</p>	
9.0	Finance	
9.1	<p>Finance Report Lorraine provided an overview of the Finance Report and covered the bank reconciliation, transfers, and regular payments. She explained a few insurance claims were settled and we received a refund for the new factoring machine. Lorraine reasoned the deposit account balance has reduced as (Company redacted) has been paid for the window replacement contract.</p>	

9.2	<p>(Number redacted) payment runs were made in February and a breakdown has been provided of each one. SH queried the total amount paid to (Company redacted) and thought the bulk uplift service was a fixed amount per year. Lorraine advised they carry out other jobs out with the bulk uplift contract such as clearing out void properties. Christine expressed that (figure redacted) does seem quite a lot and noted the contract for the whole year is (figure redacted). Lorraine confirmed she will look out the invoices to check what has been paid.</p> <p>Factoring Arrears Report</p> <p>Lorraine summarised the factoring arrears report and highlighted there is a credit balance. She expressed the balance is likely to change as the factors bills will be going out at the beginning of April. Lorraine noted more and more owners are paying by standing order now.</p> <p>Lorraine then apologised as she has not done much with the arrears cases in the past month.</p>	LG
10.0	Directors Report	
10.1	Governance	
10.1.1	<p>Planned Maintenance Audit</p> <p>Christine highlighted Martin has covered the planned maintenance audit report. Next year's audit plan will be discussed with the auditors following their findings tonight and she has suggested carrying out planned maintenance again next year.</p>	
10.1.2	<p>Committee Appraisals</p> <p>Christine advised the Committee appraisals are underway and Lorna is attending the meeting tonight as an observer. Individual appraisal sessions have been arranged with the Committee.</p>	
10.2	Development	
10.2.1	Section redacted due to commercial sensitivity.	
10.3	Maintenance	
10.3.1	<p>Close Painting</p> <p>Christine explained the list of closes presented for decoration was not accurate and she has advertised the tender as (number redacted) closes rather than the (number redacted) that were in the initial spreadsheet. The spreadsheet included closes that were in excellent condition so there is no need to decorate them again. In the absence of (Name redacted), Christine has engaged (Name redacted) QS to carry out the procurement on behalf of the Association and he will do this through Quick Quote. The tender return date has been set for the (date redacted) and (number redacted) of the contractors have worked for CDHA in the past. (Name redacted) will provide a tender report for the Committee which will break down the costs and explains his recommendation for the successful contractor. Christine expressed she is hopeful the work will begin in (date redacted).</p>	
10.3.2	<p>Component Replacement</p> <p>Christine advised she is to still identify if there are any kitchen and bathrooms to be replaced but she has identified some boilers so far. She is working</p>	

	<p>through the list and she and (Name redacted) will look at the rest of the planned maintenance/component replacement when he is back from his holiday.</p>	
10.3.3	<p>Garden Maintenance Christine explained we have reached the end of the (number redacted) year tender period for the garden maintenance contract and we have the option to roll the contract over for another year.</p> <p>(Company redacted) has provided a quote which is attached to the report. Christine detailed she is seeking the Committee's approval to stay with (Company redacted) for another year with a view to tendering the contract at the end of this year. She expressed we have not received many complaints about them or the service. Lorraine added the communication has been better with them. MM asked if everyone agrees to rolling over the contract for 2022/23 and the Committee unanimously agreed.</p>	
10.4	<p>Landlord Compliance Christine advised that Grahame is on holiday for 2 weeks and Allan has been helping load information onto spreadsheets. Grahame has made great headway in collating information such as EPCs, EICRs and asbestos reports etc.</p>	
10.5	<p>Staff Appraisals Christine reported the staff appraisals have been delayed as she has had to get involved with maintenance. The ARC return is also coming up so she will be checking the ARC reports with the team for accuracy ahead of the audit with (Name redacted). The audit is scheduled to start on (date redacted).</p>	
10.6	<p>Accountancy Services Fettes has delivered the budget; however, he requires information on planned maintenance as soon as possible so he can include this in the 5-year plan. Christine has asked (Name redacted) if he can assist in this area.</p>	
10.7	<p>Regulatory Section redacted due to confidential information.</p>	
10.8	<p>System Transfer Christine explained we have identified training dates for our transfer over to (System name redacted) and Emma has been co-ordinating work in the office to tidy up our F: Drive. The F: Drive is where our documents and common folders are stored which have been tidied up and organised more efficiently. Christine commented that there is a file tidying operation going on throughout the office. The benefits of the system include safer cyber security as we will be on a cloud-hosted system and the option to replace our server with a smaller one which is included in the budget. (Name redacted) who deliver our clocking system have expressed they can provide us with a cloud-based system.</p>	
11.0	Housing Management	
11.1	<p>Management Performance Report Morna provided an overview of the management performance report and highlighted that the arrears have risen. She explained there will be periods where the arrears will rise mostly due to universal credit claims, tenants changing from housing benefit to UC, or those who have been on benefits and worked and going back on benefits again.</p>	

	<p>She and Lynsay are working through the benefits cases just now and what they expect to receive by the end of March. Morna will check with (Name redacted) to make sure the cases can be deducted from the final arrears figure as benefit due for the year. They are working through individual cases and Kevin is assisting to see if we can push through some of the big claims. A payment of (figure redacted) was received this week and the grant funding was not posted in February but both these figures will show in next month's report. Morna will present to the Committee the figure with the exclusions for the ARC, how much benefit is being taken off, and what is due for the year.</p> <p>Morna then referred to the void rental loss and advised two members of staff are working on this report to check it is correct for the year-end. She expressed that she thinks it is correct and does not expect much in way of change. Morna highlighted the former tenant arrears include the write-offs and these will come off next month's report.</p> <p>She reported we are lining up tenants for the properties at (address redacted) so when the flats are ready a tenant is waiting to go into them. (Number redacted) referrals have been sent over and accepted and these can be recorded in the ARC.</p> <p>Morna then gave an overview of the complaints received.</p> <p>Morna has contacted a few housing associations about their rent arrears targets. All organisations except (Name redacted) are reviewing their targets and are suggesting (figure redacted) due to the increase in arrears. Morna highlighted they are experiencing the same issues as us and do not want their staff thinking the targets are unachievable. (Name redacted) is not going to review their target this year as they increased it last year to (figure redacted). Morna will provide more detail to Christine when they are reviewing the KPIs.</p> <p>GH suggested having a target that is higher than the current level and we can measure this against the report or the management accounts on an ongoing basis. Gamal also requested if the arrears banding could show an upper limit such as £4-6k and Morna confirmed she would update this.</p>	MS
12.0	A.O.C.B	
12.1	<p>Factoring Charges</p> <p>Lorraine reported that she and Andrew carried out a comparison exercise on factoring charges. She contacted the factoring forum asking members what their charges are and also picked a selection of commercial factors. Lorraine suggested increasing the management fees and backcourt charges by (figure redacted) which is in line with the rent increase. MM commented the charges have to be affordable.</p> <p>The factoring charges from 1st April 2022 were proposed for approval by SH and seconded by TG.</p>	
12.2	<p>Trainee Finance Assistant Review</p> <p>Section redacted due to confidential information.</p> <p>The Trainee Finance Assistant review was proposed by approval by SH and seconded by PC.</p>	
12.3	<p>Policy Review</p> <p>Before the undernoted policy was approved, an overview was provided.</p>	

12.3.1	<p>Lone Working Policy Christine advised there have been no updates to the policy and noted an equality impact assessment is attached as an appendix.</p> <p>The Lone Working Policy was proposed for approval by VK and seconded by TT.</p>	
12.4	<p>Finance & Audit Sub Committee MM asked if anyone would like to volunteer for the Finance and Audit Sub Committee. SH commented she would love to, but she can't at the moment and TT added she hopes to join next year but has too many other commitments. MM confirmed we have enough members for a quorate but wanted to see if anyone else wished to join.</p>	
12.5	<p>Committee Staff Away Day Christine explained we have booked (venue redacted) for the Committee Staff Away Day on Tuesday 17th May 2022 from 10 am to 2 pm. We have invited Paul McNeill to deliver a risk management, financial, and development planning session. He has confirmed he is available on this date and requires further information from us. Christine suggested inviting Joe Dewar along to deliver a presentation on landlord compliance. Christine asked if everyone is happy with this selection of speakers and the Committee confirmed they were.</p>	
13.0	Date of Next Meeting	
13.1	<p>The next Management Committee meeting will be held on 19th April 2022 at 6.30 pm. MM noted the meeting will be held in the office weather permitting.</p> <p>There being no further business, the meeting closed at 7.50 pm.</p>	