

**Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 25 May 2023 at 6.00pm in the
boardroom**



Ag3

1. Present and apologies

1.1	J Brannan (Chair)	A Biddell	S McDonald MBE
	R McGill	T Bowie	S Brannan
	Z Saad Hassan	M Mellon	C Love
	J McFarlane		

In attendance

P Baylis	E McShane	P Long (FDM)
L Crawford	W Jones (observer)	

Minute taker

L Crawford

1.2 Apologies were received from M Dabek and F John.

1.3 J Brannan introduced W Jones as an observer.

Noted

2. Declaration of interests

2.1 There were no declarations of interests.

Noted

3. Minutes of previous meetings

3.1 The minutes of the Management Committee meeting held on 20 April 2023 were proposed by T Bowie and seconded by A Biddell.

4. Matters arising from meeting

4.1 P Baylis provided an update on item 5.6.3 confirming the extension of the FMD contract for one year.

5. Director's report

5.1 Management accounts to March 2023

5.1.1 P Long presented the first draft of the accounts and advised that there is likely to be more costs included.

5.1.2 P Long took committee through the report and figures highlighting:

- The operating surplus for the period to 31 March 2023 is £1.242 million, which is higher than the budgeted surplus of £890,000. This is mainly due to lower maintenance costs.
- Net interest payments of £32,000 decrease the net surplus to £1.211 million.
- Pension deficit payments amount to £42,000.
- Total comprehensive income for the period to 31 March 2023 is therefore £1.169 million.

5.1.3 Committee asked about grant sources, P long advised that grants were from various sources such as Lottery, SFHA and Scottish Government.

5.1.4 Committee asked for clarity about the Community Connector funding variance of £83,785. P Long replied that although we budgeted for the income, we got more than we budgeted and subsequently spent more.

5.1.5 Committee members asked about the DTA covid fund and the recovery fund, K Dyson advised that these were grants applied for by the Community Connector, and that he was very successful in his applications.

5.1.6 P Long finished by stating that the Association only has covenants with one lender and continue to comply with these. The forecasts to March 2023 indicate that this will also be the case at that time with a significant amount of headroom in each covenant.

Collectively approved

5.2 Five-year financial projections

5.2.1 P Long presented the report in the format it would be submitted to the Scottish Housing Regulator.

5.2.2 Committee asked about intra-group payables and receivables. P Long advised this did not apply and it included in the standard template for all landlords.

5.2.3 P Long highlighted that we are forecasting that loans will be paid off over the course of five years.

5.2.4 P Long highlighted the £4.6 million turnover with increasing income over the projected period, summarising an overall a healthy financial position.

Collectively approved

P Long and K Dyson left the meeting

5.3 Salary sacrifice

5.3.1 P Baylis presented the report explaining how staff can sacrifice some of their pay and put it into their pension. P Baylis advised that Chiene and Tait Chartered Accountants had presented to the whole staff team last month and they highlighted this could be something would benefit staff.

5.3.2 P Baylis set out the pros and cons to staff and to the organisations. Overall, she is seeking Committee approval for offering salary sacrifice to staff.

5.3.2 Committee asked about the administration costs and entering into new contracts if some enters then leaves the scheme. P Baylis advised that we already are part of EVH, so it is cost neutral. Overall, the scheme is beneficial to the employee with some additional benefits for employers.

Collectively approved

5.4 Risk management update

5.4.1 There are currently no risks to update the Management Committee of at this time.

Noted

5.5 Compliance assessments 2023-24

5.5.1 E McShane presented the paper highlighting that we had external assessments completed in June 2022 by Quinn Internal auditors, which means the CHA staff team are due to carry them out this year.

5.5.2 E McShane will be leading on this process, and it would follow a similar approach to the one completed last year.

Collectively approved

6. Depute Director's report

6.1 Annual return on the Charter (ARC) 2022-23

- 6.1.1 P Baylis advised that the return has been completed and would be submitted tonight after the Committee meeting following approval.
- 6.1.2 P Baylis summarised some key indicators namely around satisfaction, housing quality, neighbourhood, and service charges. She was pleased to report that these had improved, which she believes is the result of increased communication we have been giving to tenants about our services, namely via the rent consultation.
- 6.1.3 Committee asked about whether any individual provided any rational for their satisfaction answers. P Baylis advised that we do record comments, look for themes and answer on the spot where we are able, e.g., referral to the welfare rights service or raising a repair.
- 6.1.3 The Management Committee approved the ARC submission for 2022-23.

Collectively approved

6.2 Mortgage to Rent update

- 6.2.1 P Baylis highlighted that it has been some time since we had a request for mortgage to rent and our policy is due for renewal in August 2023, therefore she wanted to bring Committee up to date on the current situation.
- 6.2.3 P Baylis highlighted the impact of cost of living and that we may be faced with requested in the future. She is seeking feedback on whether this should continue to be offered by the Association.
- 6.2.4 Committee asked about what happens if a mortgage to rent applicant gets into rent arrears then abandons the property. P Baylis advised that the same approach to arrears and allocating the vacant property would apply.
- 6.2.5 Committee asked about selling the property. They also advised a preference that the policy should only apply in our own area of operation.
- 6.2.6 P Baylis advised that every decision is individual and Committee approval would be sought on a case-by-case basis and it would not be recommended by the staff team if there was any detriment to the Association.

6.2.7 Committee agreed that policy could be reviewed.

Collectively approved

7. Policy review

7.1 There were no policy reviews this month.

8. Notifiable events and regulatory engagement

8.1 Notifiable events

There are no notifiable events to report at this time.

8.2 Regulatory engagement

There is currently no regulatory engagement.

Noted

9. Sub-Committee minutes and recommendations

9.1 Operations sub-Committee

9.1.1 The minute of the meeting on 13 April 2023 was noted.

9.1.2 There was no recommendations from the meeting on 18 May 2023.

9.2 Assurance sub-Committee

9.1.1 The minute of the meeting on 9 February 2023 was noted.

9.1.2 There was no recommendations from the meeting on 4 May 2023

Noted

10. Membership and use of seal

10.1 L Crawford presented the report highlighting that there were two cancellations as tenants had passed away.

Collectively approved

W Jones left the meeting

11. AOCB

- 11.1 E McShane tabled a report on entitlements, payments and benefits 2022-23. This is a correction to the previous report which was presented at the meeting on 20 April 2023. The change is that following the initial report, we have been made aware of six further payments to connected persons in 2022-23 and four payments in April 2023. These had been recorded in the internal housing management system but not on the relevant entitlement, payments and benefits register. This has since been rectified and staff refresher training will take place in June.
- 11.2 P Baylis advised two staff members are leaving the Association and we have two vacancies over the summer 2023.
- 11.3 Committee members gave feedback on the EVH conference that they recently attended.

Noted

12. Date and time of next meeting

- 12.1 The date of the next meeting will be Thursday 29 June 2023 at 6.00pm.

Chair: Date: