

Cernach Housing Association Minute of Management Committee Meeting held on Thursday 28 January 2021 at 6.00pm Via Zoom videoconferencing



Ag4

1. Present

J Brannan	J McFarlane	S McDonald MBE
A Biddell	F John	T Bowie
R McGill	K McGinley	A El kadi
S Brannan		

In attendance

C Jardine	P Baylis	C Armstrong
P Long (FMD)	K Dyson	S Mangan

Observers

C Love	M Dabek	Z Saad Hassan
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Minute taker

A Smith

Prior to the start of the meeting, J Brannan welcomed observers Cheryl Love, Marie Dabek and Zainab Saad Hassen to the meeting and then he proceeded to introduce all Committee members and staff in attendance.

2. Apologies

- 2.1 Apologies were received from M Mellon and M Wylie. D MacMillan is on special leave.
- 2.2 Committee were asked to approve an extension of special leave until April for D MacMillan. This was granted.

Approved

3. Declaration of interest

- 3.1 C Jardine declared an interest in item 6.9.

Noted

4. Minutes of previous meetings

- 4.1 The minutes of the Management Committee meeting held on 3 December 2020 were proposed by T Bowie and seconded by J McFarlane.

Approved

5. Matters arising

- 5.1 Item 6.9: S Mangan referred Committee to the last meeting regarding the celebrations of the 30th anniversary of Cernach, naming of Marion McDonald House and the completion of the new builds. S Mangan will now move to set up a small working group and will be seeking some volunteers from staff and Committee.

6. Director's report

6.1 Development update

- 6.1.1 C Armstrong presented the report with an update on the Association's development activity, including the office extension.

6.1.2 Invercanny Drive update

- a) C Armstrong informed the Management Committee that another four units were successfully handed over today (28 January). The contractor has given notice on the remaining ten units, which will be handed over by Thursday 4 February. There are still some delays due to Covid-19 related matters.
- b) Turf for the gardens and the public open spaces has been affected due to frozen ground although it should be completed around 18 February 2021.
- c) C Armstrong advised that the contractor has submitted a claim for a two-week extension due to delays due caused by Covid-19 related issues. This will be based on Force Majeure and, if granted, no costs would be awarded on either side.
- d) C Armstrong provided Committee with an update on costs. There are additional costs of £145,000 approx. We have applied for grant to cover this and await a decision from GCC.

6.1.3 Linkwood Drive

- a) C Armstrong reported that there are some delays in resolving defects issues due to Covid-19 restrictions. As per government guidelines, only emergency defects are being carried out.

- b) Instead of putting tenants and staff at risk, a defects questionnaire has been sent out to tenants to complete. Cernach repairs and maintenance team are assisting tenants in the completion of this and, once restrictions have been lifted, any repairs to these defects will be carried out.
- c) C Armstrong confirmed that although the defects period is coming to an end, it does not mean that if a defect is reported that it will not be addressed.

6.1.4 Office Extension

- a) C Armstrong advised that we are awaiting practical completion certificates after the Health & Safety files have been updated but there is no further update.

6.1.5 Committee noted the contents of the report.

Noted

C Armstrong left the meeting at this point.

6.2 **Rent Review 2021/2022**

6.2.1 P Baylis presented Committee with the report and asked them to note the contents.

6.2.2 P Baylis confirmed communication was sent to all tenants confirming Committee's decision to keep rent for the coming year at 2020/2021 levels.

6.2.3 P Baylis referred to some positive feedback we had received.

6.2.4 Committee are asked to note the contents of the report.

Noted

6.3 **Draft budget – 2021/22**

6.3.1 P Long presented the draft budget for the coming year and highlighted the key points.

6.3.2 Statement of Comprehensive Income

P Long informed Committee that rental income, net of voids, will be £3.622m. This assumes rents to be frozen at their 2020/21 levels. Even with this, the rental income will be higher than in the current year due to the new builds. Other operating incomes include:

- Amortisation of capital grants (£725,000)

- Stage 3 adaptations grants (£20,000)
- Factoring (£10,900)
- Services to other RSLs (£25,000)
- Community Connector (£37,400) and wider action (£33,700)

6.3.3. P Long confirmed that the operating surplus is higher than expected due to reduced spend, primarily in reactive/planned maintenance and management costs, with a net surplus of £974,000. This is due to the ongoing restrictions of Covid-19. Pension deficit is accounted for also, bringing total comprehensive income to £893,000.

6.3.4 P Long clarified the budgets surrounding cyclical maintenance and major repairs to Committee and explained the rationale behind them.

6.3.5 S McDonald asked if we were intending to re-join SHARE. C Jardine advised that this may make sense given the increased frequency we have used SHARE during 2020/21. The management team will look at this between the draft and final budget stages; if it would make sense financially, there will be a recommendation that we re-join; if not, we will recommend dropping it from the final budget.

6.3.6 P long advised that our cash at bank would be just around £2,000,000. This is a much higher position due to the rental income of our new developments.

6.3.7 Statement of Financial Position

P Long advised Committee the total number of units in ownership by March 2022 will be 877. The cost of new components is assumed at just under £600,000. The net cost of housing assets, after depreciation, will be just under £32.9m at March 2022.

6.3.8 The Association's turnover will continue to increase, and the gross surplus ratio will be 21.4%.

6.3.9 Total net assets of the Association will be £13.386m.

6.3.10 Management Committee approved the draft accounts.

Approved

P Long and K Dyson left the meeting at this point.

6.4 Business plan – key Covid-19 implications

6.4.1 C Jardine presented the report and asked Committee to note that guidance on business planning received from SHR in September was to take account of Covid-19.

6.4.2 C Jardine confirmed that concerns and issues highlighted by the SHR were already being reported on and managed by Cernach in the form of the lockdown report and business continuity planning. It was agreed no updating of the business plan was necessary at that time, although we continue to note that the more general rewrite, initially planned for June 2020, has still to take place – this will be addressed in 2021 as previously discussed and agreed by Committee.

6.4.2 The supplementary guidance includes a set of questions to consider under each of the following headings:

- Rent affordability.
- Risk management and mitigation
- Asset management and development
- Financial planning
- Treasury management

6.4.3 C Jardine advised Committee that all relevant questions had been considered (see attached table) and rated with a ‘traffic light system’ which will highlight follow up actions by the Association.

6.4.4 C Jardine said that the exercise undertaken had indicated that there were no immediate actions required because of SHR’s revised business planning guidance.

6.4.5 C Jardine confirmed that actions marked amber will be progressed and a review of our business plan will take place at the planning day on or before June 2021.

6.4.6 Committee are asked to note the contents of the report.

Noted

6.5 Gas serving contract – procurement update

6.5.1 P Baylis presented the report on the procurement of gas maintenance which is being procured with DRUMCOG partners.

- 6.5.2 P Baylis confirmed that DRUMCOG appointed Tom Atkinson Partnership to lead on this contract and confirmed that membership of the Scotland Excel framework had now been arranged.
- 6.5.3 P Baylis advised that by going through this framework, the time invested in procuring for a contract is cut down due to the background checks already taken place by the framework. This brings the procuring process to a quicker end, whilst still ensuring openness, accountability and value for money.
- 6.5.4 P Baylis highlighted that the gas servicing contract would include maintaining and servicing gas boilers and would include CO alarms, smoke alarms, heat alarms and boiler replacements (at end of life).
- 6.5.5 P Baylis advised that the Association's current contractor, City Building, is part of this framework and a direct contract award could be made as they are familiar with properties and process. It would also promote continuity as good working relationship already exists.
- 6.5.6 P Baylis informed Committee that an extension of the existing contract is asked for and this would take us to 31 March 2021. The new contract will be in place for 1 April 2021.

Noted

6.6 Reactive maintenance framework – procurement update

- 6.6.1 P Baylis presented the report on procurement for reactive maintenance contractors and the proposed key dates for this. This will be done jointly with DRUMCOG partners.
- 6.6.2 P Baylis confirmed the contract would start from 31 March 2021 for one year with options to extend this contract annually up until 2025.
- 6.6.3 P Baylis advised this is a two-stage exercise with the first stage having been advertised with a closing date of 22 December 2020. There are capability standards that each contractor must achieve to be considered.
- 6.3.4 P Baylis informed Committee a Zoom meeting took place with representatives from each of the DRUMCOG partners and Tom Atkinson in attendance. The virtual postbox was unlocked and the contractors who uploaded returns were viewed and confirmed. There were 33 submissions, of these two were duplicates.

6.3.5 P Baylis confirmed that we are on schedule for stage 2 tender returns in early March and hope to have it all completed and in place by beginning of April 2021, but she will report back on this at the next meeting.

6.3.6 Committee noted the contents of the report and approved staff to represent them at the next virtual meeting. S McDonald MBE asked that Committee are kept up to date with progress.

Noted

6.7 Lockdown Report

6.7.1 C Jardine presented the report to Committee.

6.7.2 Committee were asked to note the following:

- The Scottish Housing Regulator returns continue to be submitted monthly, with next one being due by 7 February 2021.
- There have been no Notifiable Events since the last Committee meeting.
- The “bubble” for office working has been suspended due to Glasgow entering level 4 restrictions and more staff opting to working from home. Good hygiene and infection control measures is in place and staff adhere to guidelines whilst in the office. We will continue to follow legislation and update procedures accordingly.
- Seamus Corry will issue a short *temperature check* survey to staff, consisting of five agreed WHO questions, to check on their well-being. This will be carried out 3 February 2021 and, as always, participation is voluntary.
- Arrears have reduced again by 0.33%, but we have yet to see the impact of the festive period.
- The business planning paper has been included as agenda item 4.

Noted

6.8 Section 5 referrals - update

6.8.1 P Baylis introduced the report to Committee and noted figures to date, highlighting offers made to Section 5 referrals in response to the council's request for an increase in their quota during the Covid-19 pandemic.

6.8.2 The general demand for referrals from the Section 5 team tends to be low. Up until December 2020 we had a total of 24 referrals, from which five offers were accepted. This equates to 22%

6.8.3 Management Committee noted the contents of the report.

Noted

C Jardine, P Baylis, S Mangan and the three observers left the meeting at this point

6.9 Director appraisal – verbal update

6.9.1 S McDonald MBE gave Committee a verbal update of the process.

6.9.2 The next stage is to look at the Director's job re-evaluation and remuneration. The Director asked that this be considered given that we are no longer providing Director services to Drumchapel Housing Co-operative and this may result in a lower salary placing for the post. EVH has been contacted to assist in the next stage.

6.9.3 Committee were asked to delegate authority to the Committee appraisal group to act on their behalf and take the next stage forward.

6.9.4 Committee approved request.

Approved

C Jardine, P Baylis, S Mangan and the three observers rejoined the meeting at this point

7. Policy Review

7.1 There are no policy reviews due this month.

Noted

8. Sub-Committee minutes and recommendations

8.1.1 There were no minutes or recommendations from this meeting.

Noted

9. Membership and use of seal

9.1 There were no new members in this period.

9.2 Committee were asked to note the content of the report.

Noted

10. Correspondence

10.1 There is no correspondence this month.

11. Good news spot

- 11.1 P Baylis informed Management Committee that four new build properties were successfully handed over to tenants today, 28 January 2021.

12. AOCB

- 12.1 C Jardine asked if any Committee members wished to join a working group to produce a draft revised equality action plan as part of our equalities work. S Eglinton, who delivered the recent staff and Committee training sessions, would lead on this. J Brannan volunteered.
- 12.2 C Jardine advised Committee that the Development Manager would be retiring at the end of March. Whilst his length of service was four months short of the five-year threshold for the Association to contribute £100 to a leaving gift, it was felt that, for a number, we should waive this. C Jardine will report back to the next meeting.

Noted

13. Date and time of next meeting

- 13.1 The next scheduled meeting will be on **Thursday 4 March 2021** and will be held via Zoom starting at 6pm. Invites will be sent out by email and WhatsApp.

Chair: Date: