

**CALVAY HOUSING ASSOCIATION MINUTES OF 2022/2023  
MANAGEMENT COMMITTEE: 26 MAY 2022 – HELD AT CALVAY CENTRE.**

**1 SEDERUNT**

Present:	Alison A'Hara	-	Acting Chair
	Pauline Barr	-	Secretary
	Margaret Lynch	-	Committee Member
	Bryce Wilson	-	Committee Member
	Stacy Shaw	-	Co-opted Member
In Attendance:	Nick Dangerfield	-	Director
	Melissa Craig	-	Property Services Assistant
	Fettes McDonald	-	Finance Consultant (Items 6-8 only)
Apologies:	Sandra McIlroy	-	Committee Member
	Chris Warwick	-	Treasurer (Leave of Absence)
	Jim Gourlay	-	Committee Member

**2 ELECTION OF CHAIR**

Following the resignation of Chairperson from the Committee, Committee were asked to elect a new Chair as required by the rules.

Alison A'Hara was nominated by Pauline Barr and this nomination was seconded by Bryce Wilson. Margaret Lynch nominated Jim Gourlay, although Jim was absent from the meeting Margaret had spoken to him prior to the meeting and he was happy to be nominated.

Jim Gourlay was then subsequently voted in unanimously as the new Chair. Alison will continue to act as Chair for the rest of the meeting.

**3 DECLARATION OF INTEREST**

There were no declarations of interest.

**4 MINUTES OF MANAGEMENT COMMITTEE MEETING HELD ON 28 APRIL 2022 - APPROVED**

The minutes of the Management Committee meeting held on 28 April 2022 were circulated prior to the meeting and noted. These minutes were approved on a motion by Alison A'Hara and seconded by Pauline Barr.

**5 MATTERS ARISING FROM PREVIOUS MEETINGS**

In relation to the minutes of the Management Committee meeting held on 28 April 2022, the following items were noted:-

**Item 4 – Matters Arising, SHR Support**

A committee member requested that a sentence be removed from this item in the minutes; "The way this was put across may be construed as intimidation but this is not what occurred" to be removed, as it comes across as an ambiguous statement.

**Item 5 – Development Update**

A committee member questioned if the legal advice which the Director agreed

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to circulate previously had been done. The Director and some other committee members confirmed this had been circulated however not all remembered receiving the advice. The Director agreed to circulate the TC Young advice again.

In relation to the development, another Committee member questioned whether the Association had a penalty clause in the new build contract. The Director confirmed that there is a clause in the contract for liquidated damages if the contract does not meet the 60-week timescale. However, another Committee member stated a penalty clause is entirely different to this and that there may be some confusion of the definition of a penalty clause. The Committee requested that in the next development report they are provided with an extract of the contract containing the penalty clause.

**6 INTERIM BUSINESS PLAN – WRITTEN REPORT BY DIRECTOR – APPROVED.**

A written report by the Director was circulated to Committee prior to the meeting and noted. The Director noted that the Association's funders request a business plan is submitted to them within 60 days of the financial year starting (i.e. 31<sup>st</sup> May each year). The full business plan will not be ready by the end of May, therefore an interim plan is required. The Finance Consultant then went through the interim plan with Committee and the following points were noted;

➤ **Current Operating Environment**

The Finance consultant made Committee aware of the current financial/economic difficulties, which may bring the Association some difficulties in the coming year. Examples are Ukraine war, high inflation, cost of living increases and EESSH2 costs.

➤ **Main Assumptions**

There was some discussion around the main assumptions that were noted and how these some of these could be subject to change, one example was the assumption new build will be completed by July 2023. Another key assumption is there being no change in staffing costs, however changes in response to the ongoing Organisational Review possible pending restructure may in fact change staffing costs.

➤ **Main Considerations / Projections**

The Finance Consultant assured Committee that the Association still has a healthy cash balance even with the repayment made to the Clydesdale loan earlier in the year. Going forward there were some considerations to be borne in mind e.g. cost of living increases, rising fuel costs etc. may affect rental payments. EESSH2 demands were also an area of uncertainty in terms of costs to the Association, however every RSL is currently in this position. Committee approved the interim business plan as presented.

A discussion took place about how Calvay could support tenants bearing in mind the cost of living crisis. It was agreed that this should be an item on the next management committee meeting agenda.

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**7 FIVE YEAR FINANCIAL PROJECTIONS – WRITTEN REPORT BY FINANCE CONSULTANT – APPROVED**

A written report by the Finance Consultant was circulated to Committee prior to the meeting and noted. The purpose of the report was to provide Management Committee members with draft 5 year projections for discussion, agreement and approval prior to submission to SHR by 30<sup>th</sup> May 2022. The Finance continued to take Committee through the projections in depth where the following points were highlighted –

- The 5 year budget reflects the first 5 years of the long term projections update. These projections will be updated later in 22/23 following agreement of any changes in business plan assumptions.
- Added debt of £3.6m drawn down in year 1 and 2 to fund new build programme.
- Inflation assumed at 3.5% year 2, 2.5% year 3 and then 2% thereafter
- Surpluses are projected on an annual basis and average around £757k per annum. These surpluses do not take account of the impact of changes in pension scheme actuarial assumptions which will now feature annually
- Cash balances start at around £2m and average £2.9m over the five year period. At the end of year 5, cash balances are projected at £3.5m.
- There are no issues re loan covenant compliance and the projections continue to demonstrate a positive financial outlook.

After the Finance consultant finished going through the projections there were no further questions or comments and the five year financial projections were unanimously approved by the Committee for submission to the SHR.

**8 MANAGEMENT ACCOUNTS TO MARCH 2022 – WRITTEN REPORT BY FINANCE CONSULTANT – APPROVED**

A written report by the Finance Consultant was circulated to Committee prior to the meeting and noted. The Finance Consultant introduced the accounts and proceeded to go through them, highlighting the salient points:

- The budget for the year to March 2022 projected a surplus of around £765k. Based on the results to date the actual surplus is sitting at around £720k. Therefore there is an overall negative variance of £45k at this stage (Dec-negative variance £8k). This is a relatively large movement during the last quarter, primarily due to a backlog of invoices being caught up during the last few months of the year.
- Staffing costs relating to employed staff are overspent by £24k (Dec-£22k). This is the result of additional staff members who were not included in the budget (additional maintenance post and temporary housing management post). Agency Costs are over budget by £11k (Dec-£12k). This includes admin agency costs during the summer of £1.7k
- The reactive maintenance expenditure to date is over budget by around £128k. This has nearly tripled since the previous quarter. This movement is partially the result of a backlog of invoices that had built up being cleared in the final quarter.
- Major repairs, overall underspend to for year of £25k (Dec-£44k). Costs for bin stores remain to be paid, door entry project costs will not be carried out this year. Totals for each project take account of any VAT that has been

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reclaimed. Miscellaneous relates to a new front door at one property.

- Calvay Centre costs are over as a result of a new commercial boiler being installed (£9k) and new guttering (£1.2k). Gas and electricity costs have also risen for the Centre.

The Management Accounts to 31 March 2022 were approved and the Finance Consultant left the meeting.

**9 ANNUAL RETURN ON THE CHARTER – FOR APPROVAL – WRITTEN REPORT BY DIRECTOR APPROVED**

A written report by the Director was circulated to Committee following issue of the papers and noted.

A Committee member raised some concerns over the level of staff absences reported. It was noted that these absences were not work related issues and it was largely down to several staff members undergoing medical procedures, which resulted in extensive recovery periods. The same concerns were noted regarding staff turnover and comments made this number was rather high. The Director noted that we are a small association and this percentage related to three staff members who moved onto other jobs for career progression.

It was noted that the repairs statistics were excellent considering the circumstances of the last year, this was impressive to Committee. The Director noted some the repairs stats were a little worse than last year however this was largely down to COVID related issues, staff, contractor and material shortages as well as access issues. Nonetheless Committee were very pleased with the results. There was also some discussion regarding the properties outstanding which didn't have gas central heating failing the SHQS and questions as to why. The Director confirmed this was down to tenant choice and the tenants of outstanding properties have been approached on numerous occasions regarding this however have refused an upgrade to gas central heating. These will be done at void stage if they are not done before.

Overall Committee were very pleased with the results of the ARC and asked the Director to pass their thanks on to all staff for contributing to such great statistics throughout the year. Some discussion then took place regarding validation of the ARC. A Committee Member questioned whether this ARC had been validated to which the Director confirmed this he had done a sense check (comparing the ARC to last year's). He added that some associations do gain extra assurance by having it externally validated, however he had suggested this previously but Committee decided not to pursue this option. Committee unanimously approved the ARC.

**10 CHAIRS ACTION – DEVELOPMENT START DATE – WRITTEN REPORT BY DIRECTOR - NOTED**

A written report by the Director was circulated to Committee prior to the meeting and noted. Committee were asked to note the acting Chair's Action of agreeing to a deferment of the Date of Possession until 30<sup>th</sup> May 22. Previously the contractor, Cruden, did not start on site when they were supposed to on the 25<sup>th</sup> April. Committee asked to note the start and therefore the completion of the development programme have been delayed. The letter agreeing to the extension explicitly states that the extension of time

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is the only contract term the Association are agreeing to change thereby making it clear there is not agreement to any change of costs.

**11 APPLICATIONS FOR MEMBERSHIP**

There were no new applications for membership.

**12 KPI REPORTING FOR QUARTER 4 – WRITTEN REPORT BY DIRECTOR NOTED.**

A written report by the Director was circulated to Committee prior to the meeting and noted. The Director took them through the report, the following issue was noted;

- Increased void re-let time – this was caused by a void which required extensive internal works including kitchen replacement. There were also utility issues which delayed works commencing in the property.

The KPI report was noted.

**13 NOTIFIABLE EVENTS REGISTER REPORTING FOR QUARTER 4 – WRITTEN REPORT BY DIRECTOR - NOTED**

A written report by the Director was circulated to Committee prior to the meeting to inform Committee of the current status of all reported Notifiable events and noted. The Director informed that there are two notifiable events still open;

- Delay to start of Development – which the Regulator been updated with progress.
- Concerns about Committee Member behaviour – there is currently an ongoing investigation into this.

Committee noted the report.

**14 MANAGEMENT COMMITTEE DECISIONS TRACKER FOR QUARTER 4 – WRITTEN REPORT BY CORPORATE SERVICES MANAGER – NOTED.**

A written report by the Corporate Services Manager was circulated to Committee prior to the meeting for Committee to note progress of decisions made at Management Committee meetings and noted. The following two items were outstanding at the end of March 2022;

**Decision 80** - Chair to sign off on minutes at a later date when in office - the Director informed this is still outstanding, the previous Chair did sign some however not all.

**Decision 81** - Margaret to compose letter to SHR – it was agreed this can now be removed.

A committee member requested that performance management be placed on the decisions tracker and was unsure why it was not already on. The Director informed that progress has been made with performance management and that almost all staff have now received their one to ones as discussed previously. The same committee member stated that one to ones are not

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performance management but more of a staff support. Performance management reviews are expected take into consideration team targets, individual targets and staff development/training plans. Performance management was requested to be put on decision tracker for the next meeting.

Risk management was another item that a committee member requested to be placed on the decisions tracker. Although the policy has recently been approved, there was questions around whether it has yet been implemented. The Director informed that due to the nature of the policy there is a lot of work contained within it however as far as he is aware most of the policy requirements have now been implemented. A committee member noted that due to the significance of risk at the moment the item should be on the tracker as it should constantly be reviewed and monitored.

**15 RISK MANAGEMENT**

A written report by the Director was circulated to Committee prior to the meeting and noted. Committee were asked to note the top eight risks that the management team have identified. This is a new standing item that will be on agenda for future meetings as requested.

There were no questions surrounding the risks identified however there were comments on the format of the report. It was noted that the report is not easy to read and does not print very well. Going forward there was a suggestion that this information comes in a brief report format that could list all the risks, impact and likelihood rather than the way it is currently tabled.

A committee member reiterated how important it was for all staff to contribute to identifying risks and not just management.

**16 TRAINING AND EVENTS**

The Director informed that the next training sessions for Committee are GDPR & loan covenants and asked if there were any interest in attending. A few members of committee expressed an interest in the loan covenants however asked that GDPR is replaced by performance management training.

The Director also informed that he was in the process of trying to organise the second half of the away day and is awaiting on some Committee members confirming if they are available, Pauline asked her apologies be noted.

**17 NOTIFIABLE EVENTS TO THE REGULATOR – WRITTEN REPORT BY DIRECTOR – NOTED.**

It was questioned if the resignation of the former Chairperson would be a notifiable event; the Director confirmed he has let the Regulator know about this change however, it is not a notifiable event as the resignation was for non-personal reasons. No further notifiable events to report.

**18 SCOTTISH HOUSING REGULATOR UPDATE**

The Director confirmed that the investigation that Committee are aware of is still ongoing at the moment. A committee member expressed her confusion as to why the investigation is now looking at the relationship between the board and Director when initially they were only brought into investigate events at a

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meeting, which took place in February. The Committee member expressed some concerns over the investigation remit being extended to include other issues which she was not aware of and questioned where these issues had come from. The acting Chair confirmed that it was the Regulator that had asked for the relationship between board and Director also be added into the investigation. The Director was asked to remind Deb Bannigan that her primary purpose was to investigate the events at the meeting in February and that this should be the focus of the investigation, if these findings are not investigated sufficiently then the Association should withhold payment.

There were also concerns over the amount of time requested to conduct this investigation which was reported as ten days. A committee member commented that this should have been done in less time.

**19 SIGNING OF THE MINUTES BY CHAIRPERSON**

Alison A'Hara will sign these minutes as acting Chair after the meeting.

**20 MINUTES OF OTHER MEETINGS**

**i. Draft Minutes of the Operations Sub Committee held on 29 March 2022- noted**

The draft minutes of Operations Sub Committee meeting held on 29 March 2022 were circulated to Committee prior to the meeting and noted.

**ii. Draft Minutes of the Staffing Sub Committee held on 7 April 2022- noted**

The draft minutes of the Staffing Sub Committee meeting held on 7 April 2022 were circulated to Committee prior to the meeting and noted.

**21 OUTSIDE BODIES**

**i. Employers in Voluntary Housing**

The representative confirmed the slides from EVH AGM are now on decision time. The representative also confirmed she has been elected back onto EVH's executive board.

**ii. Glasgow and West of Scotland Forum**

No updates to report.

**iii. Easterhouse Housing and Regeneration Alliance**

The representative advised attendance has not been very good at recent meetings and that EHRA are now looking for at least 2/3 delegates from each association to attend.

**iv. SHARE**

The Representative for SHARE was absent from the meeting therefore no update was provided.

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**20     AOCB**

➤ **Former Chairperson**

It was requested that the Association recognise the hard work and dedication of the former Chair, Anna, as she was involved with the Association for almost 30 years. It was agreed that Committee could take Anna out for a meal to a restaurant of their choice to recognise this. It was agreed Pauline will speak to former chairperson to see if this is something she would like and let the Director and other Committee members know. A plaque/trophy type gift also to be organised and Pauline has agreed to look into this and let the Director know price etc.

**APPROVED** \_\_\_\_\_

**DATE** \_\_\_\_\_