

**GOVANHILL HOUSING ASSOCIATION
DRAFT MINUTES OF MANAGEMENT COMMITTEE MEETING
WEDNESDAY 24th JUNE 2020 AT 6PM
ONLINE MEETING**

PRESENT: Annie MacFarlane (Chair)
John McLardie
Elizabeth Klein
Keith Kintrea
James White
Ghazala Hakeem
Mujeeb Ur-Rehman
Wilma Logan

IN ATTENDANCE: John Quinn, Director
Alan McDonald, Head of Housing & Property Services (HHPS)
Alison Kevan, Head of Corporate Services & HR (HCSHR)
Shannon Watson, Head of Finance & IT (HF)
Jim Harvey, JH Consultancy (JH)
Nicki Bruce, Minutes

1. Apologies

Apologies were received from Ken MacDougall, Iain Doherty and Robert Findlater.

Celine Lecompte Whitby and Barbara Robertson were invited but not in attendance.

2. Declarations of Interest

None

3. Minutes of Management Committee meeting held on 27th May 2020 – For Approval

It was noted the minutes were an accurate record of the meeting and a request was made to correct the minor grammatical errors. On the basis the errors are corrected the minutes were proposed by John McLardie and seconded by Wilma Logan.

4. Govanhill Housing Association Business Plan 2020-21 – For Approval

Jim Harvey presented the Business Plan and advised due to the impact of Covid 19 the statutory objectives have been reviewed to reflect the changes caused by the pandemic. It was noted the Association must be flexible and adaptable to meet the challenges created.

The 4 main topics within the Executive Summary have been reviewed to reflect the changes caused by Covid 19 and each of the 4 areas have been affected to some extent.

Examples were provided including collecting rent which already had the challenges of Universal Credit but now must also include Covid 19 which has caused the economy to go into recession. Voids have also been impacted during the lockdown. Until March this year the Association had improved in terms of the performance results for voids but due to Covid 19 and the subsequent lockdown this level has been impossible to maintain as the Association have been unable to let them. The EESH standard (energy efficiency) has also been affected and it is now reported the standard will not be achieved.

In terms of business continuity the Association is performing well.

It was noted there are challenges ahead regarding how the Association recovers from the challenges of Covid 19. The local community will be likely be impacted heavily due to it being a poorer community, which historically tends to feel negative impacts more keenly. Unemployment is rising steadily and it was noted the Scottish Government will need to think seriously about community renewal and how to start building communities up again following the easing of the pandemic and lockdown.

Risks and appetite for risk were discussed with the main risks being listed in the Plan and the lesser risks which would be dealt with at the Audit & Risk Sub Committee. It was noted the Management Committee have put in strong controls to deal with any potential risks. The SW Govanhill project and the development programme were noted as good examples of this.

The Management Committee noted the presentation and advised the Business Plan was robust with the main issues identified. It was noted that any issues arising during the next year would be dealt with in the usual way by looking at what resources were available and a decision being made based on its own merits.

In the governance section, it was also noted that places should not just be filled for the sake of filling them as this would also go against good governance. JH advised the share membership succession plans previously discussed by Committee at the January meeting were another Covid casualty. The Tenant Participation Officer had made contact with members who were interested in Management Committee and had provided a short course as an introduction to potential MC members. It is currently on hold due to lockdown but the Committee will be updated once lockdown is eased and plans can be made for the AGM.

The section on Rents and Affordability was discussed as the tables appeared to confuse the data being presented as some listed number of rooms and some apartments and it was queried if the information could be clearer to remove the need to calculate it. It was advised the calculations had been a result of 2 different types of data being used. JH Consultancy

had worked on some of the figures and data from Arneil Johnson had been used in other tables. ***It was agreed the data will be looked at again to streamline.***

It was also queried if the figures presented on page 31 regarding rent levels of £300+ per week were correct as they appeared to be high figures, unless it related to private sector rents.

On page 32 the Plan refers to the affordability test of the Association setting the rent at no more than 30% of household income. It was queried where this figure came from and asked if the information could be included. The Head of Housing and Property Services ***advised he would update these sections.***

It was reported the 30% figure was provided by the SFHA affordability tool, which calculates above what people on minimum wage can afford. The industry standard is 25% although the Association rents are higher.

On page 9 of the Plan under the 2nd bulled point under Brexit a typo was identified and should read 2020, not 2019. ***This will be updated.***

A member asked whether the Association was making changes to the pension offering to staff to address the affordability concerns surrounding the continued provision of a Defined Benefit pension scheme to staff. It was confirmed that the Pensions Group was looking at options and that a consultation process needed to be followed; it was noted that an additional special meeting of the Management Committee was due to take place on 1 July and all Committee members who have not volunteered to be on the Appeals panel were asked to attend if at all possible.

Further questions were raised about the Association's historic practice of underspending on major repairs programmes budgeted for but continuing to increase tenants' rents each year. The HF stated that this year's budget must be a cautious one as we cannot accurately predict the full impact that COVID-19 is likely to have on our tenants or the Association's spending. It was noted that the major repairs budget for the year ended 31 March 2020 was £2.7m, and that £2.7m was in fact spent by the end of the financial year as demonstrated in a previous meeting.

The member's concerns were acknowledged and the HF reiterated that as the Association's performance reporting developed further, and the Asset Strategy was completed, then future years' spending would be more likely to align with the budgets set for those years.

The Management Committee approved the Govanhill Housing Association Business Plan subject to the noted changes being made.

5. GCDT Business Plan 2020-21 – For Approval

It was reported the GCDT Business Plan was presented to the company's Board at last week's meeting where it was approved and was now being presented to Management Committee for final approval.

The changes to this year's Business Plan are similar in nature to those of the Association's Business Plan which reflect the possible repercussions of both Covid 19 and financial changes. Many of GCDT's tenants and customers will be adversely affected by Covid 19 in terms of business closures and requests for rent reductions. The community will also be affected result which will increase their need for the support of GCDT.

It was also noted GCDT is continuing to run community development and support programmes for the community with restrictions due to Covid 19. The GCDT team have adapted processes to deliver these programmes and are trying to provide support where possible.

The Management Committee approved the GCDT Business Plan.

Jim Harvey left the meeting at 6:50pm

6. ARC Submission 2019-20 – For Approval

The HCSHR presented the ARC report and submission which includes comparisons to the key areas and performance data presented in previous years using a traffic light system. It was also reported that as the HDR was not in attendance he included a report appended to the cover report regarding SHQS and EESSH Compliance. The Committee was advised the HDR received revised data following the printing of the paper and the ARC submission would be updated to include these figures.

The Committee were asked for any questions regarding the ARC submission.

Page 6 of the customer survey was highlighted as it might be showing the wrong year. Alison advised she would check the submission and amend as required.

Indicator Colours – It was queried if the coloured indicators were correct as some in red could not be correct. It was advised these were amber but the colour did not show well in pdf.

Governance – It was questioned if the falling number of share members should not be flagged in red and advised this will be included in the cover report next year.

It was questioned if the new IT system was helping to extract the data for the ARC report and noted there was still a degree of manual work involved which will always be required but the new system certainly helped.

The Committee approved the ARC Submission 2019-20.

7. Covid 19 Update – For Information

The Committee was updated on the plans being implemented to deal with Covid 19 in Samaritan House with the assistance of staff working in Health & Safety and with reference to the staff Health and safety group.

The HPHS advised the Association is currently only dealing with emergency repairs but void repairs will commence shortly as social distancing can be maintained on these jobs. There are currently 200 non-emergency jobs on hold but plans are being made to begin some which can be completed within 1.5-2 hours within a controlled space. There are 139 jobs ready to be released to Mears once safe access can be guaranteed.

Repair Requests

A spike in repair requests is expected once stage 4 of the easing of lockdown process is reached. To date the repair requests received are as follows:

- March 12
- April 57
- May 29
- June 41 received so far

Gas Safety Check Update

It was reported there were 66 overdue checks in May with 1 still outstanding from March 2019 and by close of business yesterday the figure was 59.

Close Repair Update

It was reported 6 or 7 close repairs have been instructed and are now safe to commence.

Roof Inspections

500 letters will be issued tomorrow to properties affected by the roof inspections. All of these are subject to tenant access.

Lettings

It was advised there have been a number of abandonment notices received which are currently being investigated. The Scottish Government guidelines have advised the start date for lettings is 29 June.

There are a number of closes in SW Govanhill which were pre-allocated and the Association will look to proceed with these in the second week of July. It was also noted these will be a good means of testing the newly implemented systems.

It was advised a test virtual viewing will take place tomorrow.

Staff

It was advised the furlough system had worked well and the Association are now starting to unfurlough some members of staff with the number having reduced from 12 to 7.

It was advised managers will have individual conversations with all members of staff prior to Samaritan House being re-opened to the public and these will be formally recorded.

There will be a number of staff working in the office for essential tasks only, placed within work bubbles, and the rest will continue to work from home. All staff spoken to so far have been happy with the processes in place.

The Committee noted the contents of the Covid 19 Update report.

8. Final Budgets and 30 Year Projections – For Approval

The HF presented the budgets and advised the Committee had approved the draft budget in March but due to the impact of Covid 19 there have been changes to the budget which are summarised in Appendix 1 of the report.

Rent arrears in the new financial year are growing which will have an impact on the rest of the year. A spike in repairs following the lifting of lockdown is also expected. The changes to the financial and core assumptions were presented. It was noted the final page of Appendix 1 (page 14) was also included with the Business Plans which were mailed out to committee and it provides information of the previous and revised core assumptions resulting from Covid 19. There will be long-term impacts as a result of Covid 19 which will primarily be on cashflow.

It was reported the Association is still within the budget covenant and the information presented is as precise as it can be given the constantly evolving situation caused by Covid 19.

It was noted within Appendix 2 of the Regulator's submission 2 new lines have been included at the 2nd and 3rd last lines on page 4 which relate to the maintenance of pre-1919 properties. It was advised plans will be made to extract more accurate information from the system but there will be a large amount of work involved to reach this point.

It was questioned what the logic was for the inclusion of this information and advised it related to the general lack of maintenance on pre- 1919 properties (not just those owned by the Association) and the Regulator needs to be seen to be reporting on it.

The Committee approved the Final Budgets and 30 Year Projections.

9. SHR Loan Portfolio Return – For Approval

The HF presented the Return and advised the key data from the quarterly reports submitted to the F&GP were also included for information. £3.75 million can still be drawn down from the Charity and CAF Bank facilities but there is a time limit on this. This money will be required for the remainder of the SWGh project and the new build project which has commenced at 159 Butterbiggins Rd.

The Committee approved the SHR Loan Portfolio Return.

A question was raised regarding item 8 as the member lost connection to the meeting during the item:

It was queried why the budget appeared to show a 5-6% increase on rents from 2021 to 22. The HF advised this was not a rent increase in excess of the core assumptions of CPI+1 (2.1% rent increase for that year) but that rent incomes appear to increase by more than this factor because a large number of SWGh properties and new build properties will become available for rent over the next couple of years and so increase our number of lettable properties. The average rents per home are included in the core assumptions table and it can be seen that these do not increase by more than CPI + 1% each year.

10. Information Report – For Information

The HCSHR presented the report and noted the increase in number of factoring complaints was a result of the Association factoring more properties in the area.

The quarterly report show factoring complaints as a % of factored owners and it was agreed the annual report would also do so from now on.

It was also queried if the FOI section of the report concerning FOI requests could include whether the requests were from individuals or the media. This will be included in the reports from now on.

It was noted the statistical analysis of the information requests was very useful and it was queried if complaints concerning contractors are taken to the companies involved. It was noted it would depend on the nature of the complaint and if the complaint was concerning a contractor it would be passed on to them to deal with within our timescales.

The Committee noted the contents of the Information Report

11. Request for a Leave of Absence – For Approval

The Committee approved the leave of absence.

12. Election of Committee 2020-21 – For Approval

It was advised the Association is awaiting guidance from the Scottish Housing Regulator (SHR) regarding this year's AGM scheduled to take place on 3rd September 2020 as a result of Covid 19 lockdown and the need for social distancing. In the meantime the Director has decided to continue with the normal preparations for the AGM in September until the guidance is received.

As part of the process a third of the longest serving members of Management Committee are required to stand down at the AGM and stand for election. 4 members are required to stand down this year. 3 names were selected as last being elected in 2016 and 2017 and a 4th name was required from the 4 members who were elected in 2018. The 4 names were put in a hat and Keith Kintrea was selected to be the 4th member to stand down at this year's AGM. The members standing down at the 2020 AGM are:

- Iain Doherty
- Ghazala Hakeem
- Keith Kintrea
- Mujeeb Ur-Rehman

It was advised nomination forms would be sent to the 4 members for completion in the next couple of weeks.

It was questioned if the AGM could be delayed until October this year but the Companies House Law 2006 states that an AGM must be held within 6 months of the accounts being submitted which would provide a deadline of the end of September. The Committee will be updated once further guidance is received from the SHR.

It was noted that due to the time requirements of the AGM processes this guidance is required prior to the August Committee meeting.

It was queried if the AGM was to be held virtually a different platform to Pow Wow Now might be required due to the technical issues experienced by some members in virtual meetings so far.

A discussion followed regarding the various virtual meeting platforms available.

The Committee noted the contents of the Election of Committee report and the names of the 4 members required to stand down at the AGM.

13. Report Back From Other Organisations – For Information Employers in Housing (EVH)

John reported the last meeting of EVH took place on the 18 May but he was unable to attend. The meeting concerned Covid 19. John advised he will forward email updates from EVH to Alison to circulate to Committee.

SHARE

John advised at the last meeting SHARE reported a good outcome for the last financial year which had eased the worry of the current situation with Covid 19.

SHARE are now running all courses online and all conferences are cancelled until further notice. There is some doubt whether next year's Annual meeting will go ahead.

GWSF

Annie advised all updates from GWSF are being circulated to Committee. It was noted the Regeneration Conference scheduled to take place 3 days ago had been cancelled and the conference scheduled for November has also been cancelled.

14. Documents for Formal Execution – For Approval

Scottish Government's Promoting Equality & Cohesion Fund – 1 July 2020 to 30 September 2021 – Offer of grant in sum of £50,000

This is an extension of the previous PECF funding and the Management Committee approved the acceptance of the funding and authorised the HFIT to sign the agreement on their behalf.

15. Correspondence

None

16. AOCB

Request for Donation

The Association received a letter of request for funding from the Scottish Burned Children's Club who arrange trips for affected children and their families.

The Management Committee approved a donation of £100 to the Scottish Burned Children's Club.

Gas Quality Consultancy Tender

The HPHS advised at the recent Housing Services Sub Committee meeting a tender was considered for the Gas Quality Consultancy. 3 tenders were sought but only the current contractor for the service submitted a price of £66k over 3 years. As the costs involved are

similar to the current costings and no other costed tenders were received the Committee were recommended to approve the acceptance of this tender.

The Management Committee approved the acceptance of this tender.

17. Date of Next Meeting

Wednesday 1st July 2020 at 6:00pm

It was noted there was low attendance at the previously arranged Special meeting on the 10 June to discuss pensions. This had caused concern due to the importance of the subject matter therefore this further meeting was arranged and the Director reminded Management Committee of the importance of attending this meeting.

The meeting closed at 8.10pm