

**Present:** Kath Mands (Chair), Denis Brown, Paul Crichton and Alan Fraser. The following joined via Video Conferencing: Ian Byers, Rhona McLeod, Andrew Black and Gordon Edwards (Chair – AF&RMC).

**In Attendance:** Barry Moore (CE) and Roz Clark (CSO). The following joined via Video Conferencing: Marjorie Sloan (CSD and Secretary).

**Observing:** Veronica Gray.

### **21/07/01 Apologies**

Ron Neave (Vice-Chair) and Vicki Cutler.

The Chair welcomed everyone to the meeting.

### **21/09/02 Declarations of Conflicting Interests**

No Member declared a conflicting interest.

## **Audit, Finance & Risk Management Committee Reports**

### **21/09/03 Audit, Finance and Risk Management Committee Meeting 11 August 2021**

The AF&RMC Chair talked through the Audit, Finance and Risk Management Committee Reports. He explained that it had been a long agenda but that a lot had been agreed. He highlighted that there was full assurance on the Internal Audit Reports presented which was reassuring for all Committee. He reported that four items required the approval of the Management Committee.

The first related to the Statutory Accounts which he stressed were extremely important. He reported that the External Auditor had presented a clean audit and that he was impressed with the quality of the report External Audit had provided. The AF&RMC recommended that the Management Committee:

- Approve the Report and Financial Statements for the year ended 31 March 2021 and ask the Chair of the Management Committee, the Chair of Audit, Finance and Risk Management Committee and the Secretary to sign them.
- Approve the Letter of Representation and ask the Chair and Vice-Chair to sign it.
- Are presented with the Audit Summary Report.

Committee **approved** the Report and Financial Statements for the year ended 31 March 2021 and asked the Chair of the Management Committee, the Chair of Audit, Finance and Risk Management Committee and the Secretary to sign them.

Committee **approved** the Letter of Representation and asked the Chair and Vice-Chair to sign it. Committee were presented with and **noted** the Audit Summary Report.

The CSD highlighted that the dates on each document had been changed from 25 August to 8 September 2021 to reflect the change of the Committee Meeting date.

The second matter requiring Management Committee approval related to the Audited Financial Statement Return to SHR. The AF&RMC recommended that the Management Committee:

- Approve the Audited Financial Statements Return and ask the Chair and Vice-Chair to sign it and the CSD to submit it to the SHR.

Committee **approved** the Audited Financial Statements Return and asked the Chair and Vice-Chair to sign it and for the CSD to submit it to the SHR.

The third matter requiring Management Committee approval related to the LIBOR/SONIA transition. The AF&RMC Chair explained the change and highlighted that having consulted with the Association's legal representatives they too were happy with the transition. The AF&RMC recommended that Management Committee agree:

- That the Amendment Agreement in relation to the LIBOR/SONIA transfer is agreed and signed.

Committee **approved and agreed** to the signing of the Amendment Agreement in relation to the LIBOR/SONIA transfer.

The final matter requiring Management Committee approval related to the Finance Policy Review: Financial Regulations. The AF&RMC recommended that Management Committee:

- Approve the Finance Policy Review: Financial Regulations.

Committee **approved** the Finance Policy Review: Financial Regulations.

The AF&RMC Chair reported that in the private session, with no staff present, both the Internal and External Auditors had been very complimentary and stated they had no issues to report. The AF&RMC Chair thanked the CE, CSD and Finance staff for their hard work.

## Management Committee Meeting Reports

### 21/09/04 Minute of Committee Meeting 7 July 2021 and Tracker

The Chair asked for comments relating to the minutes of the meeting held on 7 July 2021. There were no amendments.

Approved. Proposed Denis Brown, Seconded Paul Crichton.

The tracker was discussed. It was noted that the Mossgiel Development Report would be presented at the next Management Committee in October.

### 21/09/05 Matters Arising

There were no matters arising.

### 21/09/06 Chairs Actions/Decisions between meetings

The Chair presented the paper highlighting there had been no Chair's Actions since the last meeting. Committee **noted** the report.

### 21/09/07 AGM and SGM Arrangements and Committee Election

The CSD talked through the report. The CSD explained that the SGM and AGM would be conducted under the current Rules. The CSD further explained that both the SGM and AGM could not be held virtually on this occasion, however, once the new Rules had been adopted it would be possible to allow participants to join virtually. The CSD talked through the current Committee membership and vacancies and highlighted that the 9-year rule did not apply to anyone seeking election at the

upcoming AGM. The CSD reported that a Committee Meeting would take place in the Boardroom directly after the SGM and AGM had concluded. The CSD confirmed in writing that Rules 62 to 67 had been followed. She explained that these rules relate to the use of the seal, the keeping of the Register of Members, display of the Association's name and keeping of books.

Committee **noted** the AGM and SGM Arrangements and Committee Election.

#### **21/09/08 Internal Management Plan: Quarter 1**

The CE presented the report. He highlighted that the Internal Management Plan and Operational Performance Report Key Performance Indicators combined to form key strategic documents and explained that both documents were supported by independent reports which were presented to Committee periodically. The CE talked through the appendix in detail highlighting items of particular note. This included the need for Committee to consider and decide on the Annual Assurance Statement in October 2021. The CE also highlighted that Committee recruitment would commence shortly after the AGM had taken place. He reported that the Risk Management Tables were being partially presented to this meeting with the remainder to be presented at the October 2021 meeting. He reported that an Organisational Staff Structure paper would be presented to Members in November 2021.

There was a discussion on a Tenant Satisfaction Survey with Committee fully supporting the need to carry out a survey in the immediate future which captured the views of tenants in relation to the impact of services during Covid-19. It was agreed that a full and detailed Tenant Satisfaction Survey would then be carried out in 2022. The CE agreed to tailor the questionnaire to capture the most valuable and appropriate feedback. He highlighted that the work being carried out by the Tenant Involvement Officer would be key and that to date she was doing exceptional work promoting tenant involvement and empowerment.

There was discussion on CPD (Continuing Professional Development) and all Committee members were encouraged to undertake any training they felt would benefit both them and the Association.

There was discussion on the Tenant Portal and in particular security implications. The CSD confirmed that penetration testing had been carried out and security measures were in place.

There was a discussion on both the financial capacity and the human resource capacity in respect of development and in particular whether the Association had a point at which additional development projects would need additional resources. The CE confirmed that there would be a time when both financial and human resources would need to be reviewed to ensure that we have the capacity to deliver our growth aspirations. The CE further confirmed that this point is somewhat off and that we have both the financial and human resource capacity to deliver our current development objectives.

Committee **noted** the Internal Management Plan: Quarter 1.

#### **21/09/09 Operational Performance Report KPIs Quarter 1**

The CE talked through the report and appendix. There was discussion on how the information provided in the appendix could be analysed and assessed. The CE explained that the appendix was being presented in a new format and as information was added in subsequent years more detailed and relevant comparisons could be made.

There was a discussion on the two FOI's reported and the CE explained that notwithstanding the legislation relevant to the requests the information which had been asked for would have been provided regardless.

Committee **noted** the Operational Performance Report KPIs Quarter 1.

#### **21/09/10 Confidential: Terms and Conditions Review: Staff Salary Savings Report 2021/22**

The CE talked through the report explaining that he had been very clear that any costs relating to the Terms and Conditions Review should be recovered from the HR Budget. He reported that at present

the deficit of £41k would be recovered by October 2021. He reported that recruitment for the Housing Manager and Maintenance Officer posts was likely to take place towards the end of 2021 with a view to the successful applicants starting towards the end of this financial year or the start of the new financial year. With regard to the Housing Manager position, the CE explained that the rationale behind the timing in recruiting such an important role was the need for the individual to be integrated fully into the Team and to have them working in the office. He reported that the current interim positions were working well and would sustain the operational capability until recruitment of the permanent posts was achieved.

There followed discussion on the vacant Clerk of Works post. The CE explained that the job description had been revised and renamed to Technical Officer and that a new staff member had joined the Association on the 7 September 2021.

Committee **noted** the Terms and Conditions Review: Staff Salary Savings Report.

### **21/09/11 Confidential: Reactive and Voids Maintenance Contract**

The CE presented the report. In particular he referred Committee to para 2.5 and 2.6 of the report which highlighted that legal advice was sought and that the tenders were evaluated in keeping with the procurement principles as set out in the previous Governance, Financial Management and Procurement Implementation Plan. Procurement Champions from across departments within the organisation had taken part in the evaluation process. He was pleased to announce that QAPM had submitted the most economically advantageous tender and as they are the current Contractor, they know our tenants, know our stock and know the standards expected by the Association.

There followed discussion on how price and quality scores were decided. It was noted that price was a mathematical formula while quality could be more subjective. For this tender the scores had been 40% price and 60% quality. The CE stressed that quality generally outweighs price on the majority of tenders, especially where the service delivery and performance associated with the service delivery is extremely important.

Committee **approved** the award of the Reactive and Voids Maintenance Contract 2021-2025 to QAPM  
Committee **authorised** the Chair and Chief Executive to sign the contract on behalf of the Association.

### **12/09/12 Risk Management Tables**

The CE presented the report highlighting that the Table had been amended and updated to reflect risks pertinent to departments. He reported that each risk is referenced and the reference would be referred to within Risk Assurance Register. The CE talked through the Appendix in detail highlighting the key control documents will be used by Departmental Managers and staff to assist them in managing risks. The CE highlighted that the Risk Management Policy provided the guidance and detail of risk scores.

Committee asked whether they would be asked to review all risks or would they only be asked to review the top ten strategic risks. The CE confirmed that the top ten strategic risks would be presented on a quarterly basis, however Committee would need to decide when they wished to review all the risks identified within the Tables, ie quarterly, six-monthly or annually. The CE suggested that along with the top ten strategic risks it might be useful to be presented with the top three-five departmental risks on a quarterly basis.

Committee asked what mitigation was in place in relation to any significant variations following the upcoming rent review. The CE explained that consideration would be taken to ensure any changes did not cause significant hardship. Often in rent reviews, increases in rent are phased in over a number of years with a maximum monetary or percentage increase. This may be appropriate in the Association's case and would be considered, if required.

Committee highlighted the number of risks which may materialise and in particular the compound risk effect which they could have. They included construction delays and lack of resources, the green agenda, national insurance increases and changes to CPI. All causes of concern suggested the Association was heading towards significant challenges. The CE agreed with Committee that all the identified risks would need to be, and are, being addressed.

Committee **approved** the Risk Management Tables in respect of Corporate Governance, Finance, Human Resources and Information Technology.

#### **21/09/13 Voids Reasons for Termination of Tenancies.**

The CE presented the report highlighting that this was a new report which would be presented to Committee on a quarterly basis. He explained that the report would provide them with reassurance that there were no major issues in relation to the reasons tenants were leaving the Association's properties. He explained that the information relating to termination of tenancies would be used to influence and form the Asset Management Strategy. He reported that a traffic light system would be used for each area to identify schemes where tenancies proved more difficult to sustain.

There followed discussion on why some tenants moved from Social Housing to the Private Sector.

Committee **noted** the Voids Reasons for Termination of Tenancies Report.

#### **21/09/14 Void Rent Loss Report Quarter 1**

The CE presented the report. He explained that all areas of income were monitored closely on a daily, weekly and monthly basis. There followed discussion on the ARC comparisons. The CE highlighted that it was reassuring to note that re-let times were improving.

Committee **noted** the Void Rent Loss Quarter 1 Report.

#### **21/09/15 Rent Arrears Report Quarter 1**

The CE presented the report. He highlighted that the report showed that figures were moving in the right direction and were therefore reassuring. He explained that whilst the number of court cases was not moving as quickly as hoped, the number of notice of possession cases was down on the previous year. He highlighted the exceptional work being carried out by the Income Team.

Committee asked whether the Association would proceed to eviction if required. The CE confirmed that the Association would only proceed to eviction as a truly last resort and hence would only be pursued when all other avenues had been exhausted. The CE further confirmed that engagement with tenants with a view to supporting them was the priority.

There followed discussion on the length of time cases had been ongoing. The CE explained that some had and would continue for many years. He reported that there was positive movement in the figures and that in comparison to our peers the Association was in the upper quartile.

Committee **noted** the Rent Arrears Quarter 1 Report.

#### **21/09/16 Former Tenant Arrears Write-Offs**

The CE talked through the report highlighting one particular case as an example of the impact the pandemic and in particular, temporary legislation, had had on some arrears cases. He stressed that, as previously reported, eviction would only be used as a last resort and indeed stressed that the Association had imposed its own ban on evictions, in certain circumstances, before the statutory ban.

A Committee member asked whether the CE write-off ceiling of £1,000.00 was too low and should perhaps be raised to £2,000.00, particularly as it was likely that the number of cases which required write-off may rise. Following discussion, it was agreed that the current ceiling would remain at £1,000.00 until the end of the financial year at which time Committee Members could make a decision on whether this figure should increase through an amendment to the Scheme of Delegated Authorities.

Committee **approved** the Former Tenant Arrears Write-Offs.

#### **21/09/17 Health and Safety Quarterly Report: Quarter 1**

The CE talked through the report highlighting the five areas covered: Asbestos, Electrical, Gas, Legionella and Lifts. He gave an update on the installation of integrated fire alarms highlighting that the target of February 2022 would be met. He reported that the Association was carrying out electrical testing on properties which had certificates that were over 5 years old and it was anticipated that all properties would be complete by March 2022.

The CE gave an update on the gas safety case, confirming to Members that the case was reported to Committee May 2021.

The CE referred Committee to the appendix relating to lift maintenance inspections as it also included adapted properties where lifts had been installed.

Committee **noted** the Health and Safety Quarterly Report.

#### **21/09/18 Procurement Quarterly Report**

The CSD talked through the report. The CSD highlighted that the Association had carried out one regulated procurement during the Quarter which fell within the Association's Procurement Strategy and Policy.

Committee **noted** the Procurement Quarterly Report.

#### **21/09/19 Value for Money Report**

The CSD presented the report. The CSD highlighted that the Association had adopted the standards as set out by the Regulator for Social Housing in England. The CSD talked through the appendices which provided the explanatory information and statistics.

A query was raised in relation to the Ratio of Responsive Repairs to Planned Maintenance. The CSD confirmed that she would check the details to ensure it had been presented correctly.

Committee noted that the information relating to the gross surplus / deficit appeared on the surface to be positive but that closer scrutiny would be required. Any underspends would need to be analysed.

Committee **noted** the Value for Money Report.

#### **21/09/20 Acquisitions and Disposals**

The CSD presented the report highlighting that one property had been sold above the market value. Another property was under offer however she was unable to provide an update as the closing date had been extended.

Committee **noted** the Acquisitions and Disposals Report.

#### **21/09/21 Tenant Allowances Report**

The CE talked through the report explaining the circumstances and reasons for the payment made during the quarter.

Committee **noted** the Tenant Allowances Report.

#### **21/09/22 Development Report: Charleston**

The CE presented the report. He highlighted the importance of delivering this development as it was a key strategic objective. As the Charleston Development had been a significant part of the Association's previous Regulation Plan, it was vitally important that the development was delivered within the agreed timeframe. He was pleased to report that handover of Phase 1 was scheduled to take place within 13 - 20 September 2021. The CE reported that he was in discussions with the office of Shona Robison, MSP, in relation to her formally opening the site.

Committee **noted** the Charleston Development Report.

**21/09/23 Committee Training Updates**

The CSO presented the report. Committee **noted** the Committee Training Update.

**21/09/24 AOB**

The Chair highlighted that both Rhona and Gordon had expressed their wish to stand down from the Management Committee at the AGM. The Chair thanked them both for their amazing commitment and help over the previous three years. She was particularly grateful for their help and assistance having joined the Committee at a particular difficult time. She wished them both well for the future.

The CE also wished to add his thanks for the help and support that both Rhona and Gordon had given him during his two years in post. Their support and commitment during a very difficult period including a world pandemic and investigation had been unwavering and for that he was most grateful. On behalf of all staff he wished both Rhona and Gordon well for the future.

Meeting closed at 19:30 hrs.