

**CALVAY HOUSING ASSOCIATION MINUTES OF 2021/2022
MANAGEMENT COMMITTEE: 16 DECEMBER 2021 – AT THE CALVAY CENTRE
MAIN HALL, 16 CALVAY ROAD.**

1 SEDERUNT

Present:	Anna Ellis	-	Chairperson
	Alison A'Hara	-	Vice chair
	Pauline Barr	-	Secretary
	Sandra McIlroy	-	Committee Member
	Jim Gourlay	-	Committee Member
	Margaret Lynch	-	Committee Member
	Bryce Wilson	-	Committee Member
Apologies:	Christopher Warwick	-	Treasurer
	Stacey Shaw	-	Committee Member
In Attendance:	Nick Dangerfield	-	Director
	Melissa Craig	-	Property Services Assistant
	Fettes McDonald	-	FMD Finance Consultant (Items 1-6 only)

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

**3 MINUTES OF MANAGEMENT COMMITTEE MEETING HELD ON 25
NOVEMBER 2021**

The minutes of the Management Committee meeting held on 21 October 2021 were held over until the Committee's meeting on 25th November 2021

**4 MATTERS ARISING FROM MINUTES OF MANAGEMENT COMMITTEE
MEETING HELD ON 25 NOVEMBER 2021**

Item 7 – Management accounts to end September 2021

- i) At the meeting on 25 November 2021, it was agreed that The Director would approach FMD to carry out an exercise regarding interest receivable and queried whether the Association should consider paying down some of the loans, as the interest received is virtually non-existent. In response to a query whether any progress had been made on this the Director informed committee that the item has been put on the agenda to discuss at the next Audit & Risk sub committee on 9th February to discuss at length the options available.
- ii) Another query was raised under the same item, at the last meeting following queries regarding increased telephone costs, computer costs and the costs for external penetration testing, a Committee Member suggested that the budget for these had not been set correctly. Committee requested a breakdown of computer costs and asked for a report back. A committee member questioned whether this report was now ready for them to which the Director stated this had not been completed yet. The Director informed that it had only been three weeks since the previous meeting and he had not had the chance to action this query yet. Some Committee members expressed their disappointment at this as they were expecting the report at the current meeting.

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- iii) There was also questions regarding the £8k amount spent on the Service Level Agreement with the Council for anti-social behaviour services. A Committee Member stated at previous meeting that it was in fact about £30k per annum in reality and perhaps the Association should consider whether this could pay for another member of staff. Committee questioned whether the Director had looked into this yet and what his findings were. The Director stated that again as it was only three weeks since the last meeting he has no further information on this at present. He informed committee that this meeting was an additional meeting added into the timetable and he had not dealt with queries from the previous meeting yet. It was suggested that perhaps the agenda should not have included items such as minutes from previous meeting and should have been left to the next meeting in January.

There was further discussion regarding the matters arising and some committee members expressed disappointment that their queries weren't answered by the Director at this meeting. A committee member asked that the Director answer the above queries on decision time on or before 10th January 2022. The Director advised that he will do his utmost to complete this however did not want to commit to any deadlines due to other ongoing workloads. The Chair then raised an instruction to the Director stating that the above must be completed by 10th January and it was not optional however any queries which could not be dealt with by this date should be reported on an exception basis to the Chair.

Item 9 – KPI's for Quarter two

- i) A Committee member questioned whether there was any response to a question as to why the repairs timescales were slightly down, Committee requested further feedback on this at the previous meeting. The Chair confirmed that this had been discussed at Operations Sub meeting earlier in the week and this was explained in detail. Various factors contributed to the delay of repairs such as suspending repairs due to COVID, shortage of materials and contractors needing to isolate etc. Further detail will be in the minutes prior to the next meeting. It was also noted that the gas servicing was also discussed and Committee are now satisfied with the current stats.

After the above items were discussed, the minutes were approved in motion by Anna Ellis and seconded by Alison A'Hara.

5. DRAFT ANNUAL BUDGET 2022-23 – WRITTEN REPORT BY FINANCE CONSULTANT – BUDGET APPROVED

Fettes McDonald from FMD Finance introduced himself as it was the first time meeting many people at the meeting face to face. A copy of the draft budget was circulated to committee prior to the meeting and noted. The purpose of the report is that the Management Committee consider and discuss the contents of the draft budget and agree any changes required or matters requiring further consideration prior to finalising the annual budget for the year.

Fettes took the Committee through this budget. The salient points were noted

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as below:

- The draft budget attached highlights a surplus for the year of around £581k. This does not take account of the impact of changes in pension scheme.
- Cash balances at March 2023 are now projected at around £4.3m and there are no issues regarding the cash position of the Association during 22/23.
- Changes in the expected outturn for 21/22, new build timings, inflation rates, staffing and overhead costs, property depreciation and maintenance costs in total result in a lower surplus for 22/23 compared to the long term projections.
- The draft budget currently includes provision for a wider role post and a part time governance assistant. The annual costs are around £30k and £17.5k respectively.
- The draft budget assumes a 19% increase in reactive maintenance costs given current activity and recent correspondence from City Building.

After Fettes finished going through the report, Committee were asked if they had any queries relating to the report that needing clarified. It was questioned in regards to addition staff where the post of Governance Assistant had been agreed previously. Fettes confirmed this was a recommendation from The Director of the type of post that may be required during the year however not set in stone.

It noted that the peer's column featured in the draft budget was helpful and gives a good guide for benchmarking, this should continue. In regards to gross surplus and profitability of the Association it was questioned whether it is ethical to be applying rent increases etc. when the Association has a flexible sum of money in the bank. This prompted a discussion and it was noted that there does need to be a surplus of money to some degree as unforeseeable events can arise, it was also noted that the regulator is now taking a particular interest in long term surplus not just the surplus for each year.

**6. RENT CONSULTATION – WRITTEN REPORT BY PROPERTY SERVICES
MANAGER – APPROVED.**

A report by The Property Services Manager was circulated prior to the meeting and noted. The purpose of the report was to provide Committee with the key issues relating to the Association's income and expenditure over the coming year and enable discussion on the levels of rent increase that may be appropriate for 2022/2023. Committee were asked to consider this report and agree on the range of possible rent increase % to be used for consultation with tenants.

Some key themes of the report were discussed by Committee such as the use of the SFHA affordability toolkit which was used during the consultation exercise in order to determine if rents would remain affordable. FMD have run these affordability tests across 13 different combinations of property and household sizes and types and associated income levels and based on a 4.2% rent increase for 2022/23, the toolkit shows all rents would be affordable for all household types.

There was also some discussion regarding the comparison section of the report. Regularly, rents are compared with similar property sizes and types owned by other landlords across Scotland. The SHR's report on Calvay's performance against the Charter for 2020/2021 showed that the Association's weekly rent levels were lower than the Scottish average across all properties sizes.

Committee discussed the options available for consultation and unanimously agreed to go the recommendation on the report which was to consult with tenants on the

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options given (4.2%, 4.7% or 5.2%). While this is higher than last year's increase, it represents inflation only and also passes the affordability tool.

The Committee thanked Fettes for his attendance at the meeting and noted that his presence really helped them to gain a better understanding of what was discussed and highlighted important issues going forward. Fettes left the meeting at this point.

**7. DEVELOPMENT REPORT – WRITTEN REPORT BY DEVELOPMENT
CONSULTANT – NOTED.**

A written report by Gill, Development Consultant was circulated prior to the meeting and noted. The report was to update committee on the impact of tender cost uplift & development status. The report confirmed that The Association received the increased tender offer of grant from NRS on 7th December which accounts for the total increase to the development costs. The Association's private finance will therefore remain as previously agreed.

There is still one condition outstanding to be discharged for Blyth Road, which relates to ground remediation. Cruden is content that this is not a huge risk, which would prevent a site start. However, as advised at the November meeting, the contractor estimates that site start is more likely to be April 2022 by which time this final condition is most likely to be discharged. It was discussed that an April 2022 start date is later than anticipated however is understandable with everything else going on in the current climate. The contract duration is 60 weeks therefore, assuming a site start early April 2022, the project completion will be May/June 2023.

It was anticipated that the contract would be finalised and ready to be signed by committee at this meeting however there has been a delay. There were two pieces of paperwork which were incomplete therefore it is now going to be January before the contract can be officially signed, this should not delay the start date of the project.

8. AOCB

i) Corporate Services Manager cover

It was asked if The Director had managed to arrange cover for the period of time approx. 4 weeks that that Corporate Services Manager will be off on holiday. The Director confirmed he had called EVH however there is no one on their books that could cover the role and that workload would just need to be dealt with either by himself or the Corporate Services Assistant,

ii) Wi-Fi in Main Hall / Zoom

Currently the main hall in The Calvay Centre does not receive a Wi-Fi signal; there is currently a plan in place to resolve this that Clearview are working on, it is hoped that this will be in place shortly. It was also noted that it would be helpful to have a screen where Zoom can be accessed in the main hall for Committee members who struggle to attend the meeting face to face or need to isolate etc. The Director will action this and hopefully be in place for the next meeting, however with new restrictions etc. coming in again the next meetings may be hosted on zoom for everyone.

iii) Office Bearers Meeting

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The Chair suggested that all Office Bearers meet with The Director two weeks prior to Management Committee meetings to discuss the upcoming agenda. The Chair stated this would help discuss agenda items and a chance to input other items on the agenda rather than them coming under AOCB. It is hoped this would be an opportunity to bring up any concerns raised by tenants or general issues that are raised to Committee members. Overall, it was agreed this was a good idea however it is important that Committee do not become too involved with general day-to-day tenant issues or overload the agenda with general concerns it must be kept strategic.

iv) Performance Overview

Some members of the Committee suggested that a whole performance overview of the Association is required. The staff survey teamed with recent staff feedback at the staffing sub has highlighted issues that need actioned and it was important for staff to know that concerns raised are being addressed.

After a discussion on how to implement this, it was agreed that an external agency should be appointed to do a full overview of the Association. Areas of excellence as well as areas of underperformance need to be highlighted in order to know how the Association can improve going forward, this could also feed into any future re-structure plans. The overview needs to be completely impartial and a robust process to gain the best results. Committee were given the rough costs of how much an exercise like this would be and despite the costs being significant it is an exercise Committee feel cannot be left any longer, and an investment for going forward.

In order to get things started three quotes should be obtained from external agencies and advertised on EVH. There will be a 4-week window for the consultant to complete the work, two weeks for them to carry out the overview and a further two weeks for the report to be produced. This this should be completed and reported back to Committee around the end of February.

v) Away Day

The away day will now take place in March after results of the performance overview are received. Committee agreed this makes more sense as the results of the survey will give direction and guidance of areas that need to be focused on as well as helping to implement any changes to staff structure. An exact date in March was not decided however, The Chair and Director will discuss this and inform committee on the decision of the date and location.

The staff committee Away Day, rescheduled for March will form part of the performance overview contract and be carried out by the successful bidder for that contract.

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APPROVED _____

DATE _____