

**CALVAY HOUSING ASSOCIATION MINUTES OF 2023/2024
MANAGEMENT COMMITTEE: 13 APRIL 2023**

1 SEDERUNT

Present:	Jim Gourlay	-	Chair
	Chris Warwick	-	Secretary
	Bryce Wilson	-	Treasurer
	Steven Blomer	-	Committee Member
	Julia Okun	-	Committee Member
	Jim Munro	-	Co-opted Member
	Geri Mogan	-	Co-opted Member
Apologies:	Sandra McIlroy	-	Committee Member (LOA)
	Alison A'Hara	-	Vice Chair
In Attendance:	Nick Dangerfield	-	Director
	Melissa Craig	-	Property Services Assistant
	Fettes McDonald	-	Finance Consultant (Item 1-7)

2 DECLARATIONS OF INTEREST

There were no Declarations of Interest noted at the beginning of the meeting however Bryce Wilson later declared an interest on item 12.

3 MINUTES OF MANAGEMENT COMMITTEE MEETING HELD ON 16 FEBRUARY 2023 - APPROVED

The minutes of the Management Committee meeting held on 16 February 2023 were circulated prior to the meeting and noted.

The minutes were unanimously approved.

4 MATTERS ARISING

Item 13 – Tenant participation Strategy Review

In regards to the tenant participation item on the last agenda it was questioned as to whether there had been any progress made towards setting up a tenant scrutiny panel or exploring the options discussed at the last meeting with involving TPAS or likewise. The Director confirmed that no further discussions have since taken place however he has received quotes for the cost of this. He also added this may be something that the Wider Role posts can assist with now that the £290,000 funding has been confirmed.

Item 5 – Quarter 3 Reporting

In response to a question from a Committee Member regarding the costs of windows for Phase 7, the Finance Consultant confirmed that the previous figures included costs for doors also.

Item 22 – AOCB

A Committee member questioned if all the current vacancies including the Senior Maintenance Officer post, which was being advertised at the last meeting, had now been put in post. The Director confirmed Senior Maintenance Officer is now in post and there will be another vacancy due to be advertised for Corporate Services Assistant as well as the additional two wider role posts now available.

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Under AOCB it was also asked how many “cosy café” passes have now been issued, The Property Services Assistant noted it was around about the 38 mark at the time of meeting. It was also noted that this pass is per household therefore 38 passes does not mean 38 people as different households have varying number of occupants.

There were no further matters arising.

5 ANNUAL BUDGET 2023-24 FINAL APPROVAL – WRITTEN REPORT BY FINANCE CONSULTANT – APPROVED.

The budget for 2023-2024 was circulated to Committee prior to the meeting and noted. Committee were asked to read over the proposed budget and formally approve it for the coming year. The Finance Consultant proceeded to take Committee through the Budget and the following points were noted.

- The opening position is based on the annual budget for 22/23 as amended to reflect changes in new build timings, rental income, staffing, overhead and maintenance costs. In overall terms the surplus for 22/23 is expected to reduce by £54k with the opening cash balance being lower by around £16k.
- Finance Consultant noted that work is ongoing in connection with the potential EWI project. Once costs, timing of costs and potential income to support the project have been ascertained with more certainty a revision to the annual budget may be required and this may include a request for loan covenant changes.
- Cash balances at March 2024 are now projected at around £2.6m and there are no issues regarding the cash position of the Association during 23/24 based on the assumptions employed.
- The Finance Consultant also noted that the budget is largely based on assumptions and the main assumptions used in this budget and discussed are noted below;
 - High CPI inflation at 10.7%
 - New build site completes in full by July 2023
 - Gross rent arrears at 3%
 - Voids and bad debt costs of £78k (2%)
 - Planned maintenance spend £478k
 - Reactive spend £434k

After the Finance Consultant finished going over the budget Committee members queried the following;

Management costs – It was noted there was a noticeable increase on management costs from the previous year’s budget, this is mainly down to additional staff and new roles created within maintenance as well as the Finance Officer who was previously part time now working full time.

There was also a question regarding Calvay’s current position with SDM as per their increases which have been applied. Many RSL’s are now seeking an alternative to SDM due to rising costs and uncertainty of its business future.

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Medical Adaptations – There was concern over the amount budgeted for medical adaptations and some Committee were under the impression this was covered via funding. However it was confirmed that properties Calvay gained during second stage transfer are not eligible for funding for medical adaptations.

Calvay Centre – Again there were concerns over the loss in which The Calvay Centre is budgeted to run at for 23/23 around 20k. The Director explained that the Calvay Centre has always run at a loss and The Association has always subsidised this, this may change now that two new wider role posts will be implemented.

After the above discussion the budget was unanimously approved.

6 FINANCIAL REGULATIONS – WRITTEN REPORT BY DIRECTOR - APPROVED

The financial regulations were circulated to Committee prior to the meeting and noted. The Director informed it is important that Calvay has robust and up to date financial regulations in order to minimise financial risk, including the risk of fraud. In the past, Calvay's Standing Orders have included Financial Limits, however the new Financial Regulations mean these financial limits are no longer applicable. After a summarised run through out the regulations the following points were raised;

- A Committee member requested that the use of the word “limited” is removed from 8.3 –this was agreed.
- It was also requested that 8.7 is now added to Committee Calendar of Key Reports Etc for 2023 – 2024.
- Appendix 1 – update job roles with new titles.
- 1.6 makes reference to Financial procedures however these are not in place yet, The Director to work on this with Finance Consultant.

The Financial Regulations were approved subject to the above amendments.

7 TREASURY MANAGEMENT POLICY REVIEW - APPROVED

The Treasury Management policy was circulated to Committee prior to the meeting and noted. The Director briefly ran over the policy which prompted some discussion on the Associations current loans and repayments however this was just for information. There were no further questions of comments regarding the policy and it was unanimously approved.

8 BUSINESS PLAN – FINAL APPROVAL - WRITTEN REPORT BY DIRECTOR - APPROVED

A written report by the Director along with a finalised version of the Business plan was circulated to Committee prior to the meeting and noted. A draft of the business plan was brought to February's meeting however comments were made and amendments requested before approval. The Director

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explained that were possible amendments have been included to address the comments. The plan has been fully proof-read and updated accordingly.

There was a suggestion from a Committee member that perhaps another away day should be organised prior to Business plan approval as this may now be slighted outdated.

Whilst it was agreed an away day was a good idea Committee agreed that it was of up most importance to get the business plan approved. There was a recommendation that an away day for staff and Committee be pencilled in post AGM, as it is hoped by this time the Association will have more clarity of its position with EESH2, regulator intervention and other risks. The Director agreed to put an away day on an agenda later in the year to be planned post AGM.

Under 5.14 affordability and the suitability of the SFHA's tool were discussed. The majority of the Committee felt that the SFHA is the most reliable affordability assessment at present which is used in most RSL's.

Prior to approval it was noted that appendix C does not align with the business plan, it was agreed this would be removed and replaced with an amended version, also including cash flow.

There were no further questions of comments regarding the business plan and it was unanimously approved.

9 5 YEAR BUDGET REPORT – WRITTEN REPORT BY FINANCE CONSULTANT - APPROVED

A written report by the Financial Consultant was circulated to Committee prior to the meeting and noted. The report was to provide Management Committee members with draft 5 year projections for discussion, agreement and approval prior to submission to SHR by 30th May 2023.

The Finance Consultant gave a brief run through of the budgets to Committee and the following points were noted.

- Details were attached of the Statement of Comprehensive Income, Statement of Financial Position and Cash Flow projections together with details of main assumptions and ratios. The starting point for the figures are the long term projections update which incorporates the budget for 23/24.
- Cash balances start at around £2.6m and average £2.8m over the five year period. At the end of year 5 cash balances are projected at £2.7m.
- There are no issues re loan covenant compliance and the projections continue to demonstrate a positive financial outlook.
- Again, these budgets are set on assumptions as they are with the annual budget, some of the additional assumptions were noted as below;
 - Added debt of £3.6m drawn down in year 0 and 1 to fund new build programme.

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- Reactive maintenance spend totals £2.38m over plan period
- No changes in current staffing other than additions of wider role posts
- Employer pension contributions range from 0% to 12.6%
- Other office overhead costs based on 23/24 budget levels as amended

There were no questions or comments regarding the budgets, therefore they were unanimously approved.

10 APPLICATIONS FOR MEMBERSHIP

The Director advised that no new applications for membership had been received since the last meeting.

In response to a question as to how many members the Association had the Director confirmed this was around the 50 mark. [Post meeting note – actual number 44]. There was some concerns raised from Committee members that membership was lower than was desirable and asked that efforts are made in the coming months to increase membership where possible. It was suggested that tenants signing for the new build properties would be a good opportunity to promote membership.

11 HEALTH AND SAFETY ASSURANCE – WRITTEN REPORT BY OPERATIONS MANAGER - NOTED

A written report by the Operations Manager was circulated to Committee prior to the meeting and noted. The report was to provide the Committee with an update in relation to key areas of Health and Safety as a landlord. The report covered areas such as asbestos, gas, electrical, legionella and fire safety.

The Committee commented that this report was really helpful and gave them the much needed reassurance and guidance on health and safety and a clear idea of what is needing done by the Association. The Director was asked to pass on the Committee's thanks for the helpful report.

12 GOVERNANCE - ALLOCATION OF NEW BUILD PROPERTY - WRITTEN REPORT BY PROPERTY SERVICES OFFICER - NOTED/APPROVED.

A written report by the Property Services Officer was circulated to Committee prior to the meeting and noted. Committee were asked to note that a new build Tenancy at Garvel Crescent has been offered to a former committee member of the Management Committee of CHA. The offer was made on the 14th March 2023.

The subject of allocations prompted a lengthy discussion. The Property Services Assistant confirmed that a waiting list review is carried out every year, where each applicant is sent a review form and when returned their application is completely reviewed including their points award. It was noted however that the review this year has been delayed due to the allocation policy changes and difficulties in trying to organise the review within the CHR.

There was a request that the allocations audit be brought forward within the internal audit plan for the Association and the Secretary confirmed that he will request this at the next Audit & Risk meeting.

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Reference was made to the entitlements, benefits and payments policy and a Committee member noted that according to this policy this item should be on the agenda for approval not for information and to make staff aware of this in the future. It was also suggested that some staff training could be provided to ensure everyone is aware of the procedure on these types of allocations.

Section 5's were also discussed and it was questioned as to whether Calvay had agreed a statistic for section 5 referrals for the coming year. [Post meeting note – Lettings Plan being taken to Property Services Sub on 6th June 23].

In conclusion Committee noted the offer of housing.

13 ANNUAL REVIEW OF REGISTER OF INTERESTS – WRITTEN REPORT BY CORPORATE SERVICES MANAGER – NOTED

The Governance Review carried out in 2020 contained a recommendation that the Chair review the Register of Interests on an annual basis. The Register has subsequently been reviewed by the Chair who is satisfied with the declarations contained therein.

14 WRITTEN RESOLUTION – VERBAL REPORT BY DIRECTOR - NOTED

The Director confirmed that the two written resolutions that have been issued have been passed. These were for the grant funding acceptance from Community Links and former tenant write off report.

15 DEVELOPMENT UPDATE - WRITTEN REPORT BY DEVELOPMENT CONSULTANT - NOTED

A written report by the Development Consultant was circulated to Committee prior to the meeting and noted. Due to time constraints Committee were asked to note the report and raise any questions on decision time.

16 RISK MANAGEMENT – STANDING ITEM

No new items for the risk register were discussed.

17 NOTIFIABLE EVENTS TO THE REGULATOR

No new notifiable events were reported.

18. SCOTTISH HOUSING REGULATOR - UPDATE – VERBAL UPDATE BY DIRECTOR

The Director confirmed not any updates since last meeting. Updates will be given in due course.

19 SIGNING OF MINUTES BY CHAIRPERSON

Due to time constraints the minutes will be signed at the next meeting.

20 MINUTES OF OTHER MEETINGS

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- i. Draft Minutes of the Audit & Risk Sub Committee held on 2 February 2023 – Noted.
- ii. Draft Minutes of Property Services Sub Committee meeting held on 7 March 2023 (attached)

21 OUTSIDE BODIES

Due to time constraints there was no time for this update.

22 AOCB

There was no other competent business.

23 DATE OF NEXT COMMITTEE MEETING

The next meeting of the Management Committee is scheduled to take place on Thursday 18 May 2023

APPROVED _____

DATE _____