

MINUTES OF MEETING NO. 664
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 22 FEBRUARY 2022 AT 6.00 P.M.
Mackintosh Meeting Room, 45 Firhill Road

Andrew Burns, Ian Elrick, Margaret Glass, David Horner, John McIntyre, Matthew Millar, Anne Ramsey

Shona Stephen (Chief Executive), Neil Manley (Director of Finance & Corporate Support), Rona Anderson (Director of Property, Enterprise & Regeneration), Donalda Hogg (Head of Business Services), Elizabeth Hood (Depute Director of Neighbourhood Services), Fiona Smith (Executive Office Manager), Adele Drennan (Governance Officer).

ACTION**1.0 Housekeeping**

1.1 Noted.

2.0 Welcome and Apologies

2.1 The Chair welcomed everyone to the meeting.

Apologies received from Sadie Gordon, Bronwyn Wyper and Louise Smith (Director of Neighbourhood Services).

3.0 Declarations of Interest

3.1 None.

4.0 Q3 Performance

4.1 The purpose of this report was to provide the Board of Management with performance information for the third quarter of the financial year 2021/22. Strategic performance is measured through the monitoring of the Association's Business Plan, Key performance Indicators (KPIs), complaints and management accounts. This report covers key areas of performance for Q3 as of 31st December 2021:

- KPIs (Appendix 4.1)
- Complaints and Compliments Report (Appendix 4.2)
- Resident Scrutiny Update
- Strategic Risk Register (Appendix 4.3)
- Management Accounts (Appendix 4.4)

4.2 Key Performance Indicators – Quarter 3 (Appendix 4.1)

4.2.1 Appendix 4.1 detailed our current performance against KPIs for Q3 and for the Year to Date (YTD). There were eighteen quarterly KPIs reported and one annual indicator, making 19 KPIs in total for the reporting year. The Board reviewed the KPI's and noted areas where performance could be improved:

- CS 1: Staff sickness absence
- FIN 3: Expenditure (variance to budget)
- HSG 1: Average property re-let time
- HSG 4: Void rent loss

4.2.2 The Board also briefly discussed the KPI's relating to maintenance and noted that there had been a significant dip in performance resulting from limited contractor resources in Q3. Every late job is discussed at monthly contract meetings to understand the circumstances and learn lessons where possible, however it was noted that all our contractors had been experiencing the same issue with resources as Covid related absences reached a peak.

- 4.2.3 In relation to INV 1 & INV 2, the CEO advised that we are now starting to see spend in investment as we get back out on site. We will not meet the targets set, but progress is now being made and we continue to liaise with tenants to keep them informed of progress.

4.3 Q3 Complaints and Compliments (Appendix 4.2)

- 4.3.1 We received 151 complaints this quarter (140 in Q2) and 19 compliments. Appendix 4.2 provided a breakdown of complaints by service area, category, and method. There were also 68 instances of dissatisfaction recorded by the contact centre. This is where a customer says they do not want to complain but want to tell us about an issue so that we can learn from these and use this information to improve our services.

4.4 Q3 Residents Scrutiny Update

- 4.4.1 The RTF had been working on scrutinising the Association's close cleaning service and have made recommendations. The group inspected closes where complaints had been made about close cleaning in October 2021.

4.5 Strategic Risk Register (Appendix 4.3)

- 4.5.1 The Board and Executive Team held a risk review session linked to the new business plan in October as part of the Association's risk management process. The Strategic Risk Register arising from that session was attached as Appendix 4.3. The Director of Finance and Corporate Support advised that, following the risk review session, an additional corporate / reputational risk (18) had been added in relation to the establishment of the net zero 2045 target by the Scottish Government which will create new technical, financial and service risks for the Association. The Board noted the control measures in place which included our commitment to establishing a new sustainability post and ensuring that our Board and Leadership Team benefit from specific training on sustainability issues. Following a suggestion by a member, it was agreed that two interim targets would be set to reduce emissions: 75% by 2030 and 90% by 2040.

Neil

4.6 Q3 Management Accounts (Appendix 4.4)

- 4.6.1 The purpose of this report was to present the quarterly financial information for the Association up to the end of Quarter 3 2021/22 (31 December 2021). This allows the Board to monitor the association's performance against its financial targets and plan.
- 4.6.2 The Board reviewed Appendix 1 which detailed the income and expenditure for Q3 and noted that there was a £2,886,928 surplus against the forecast surplus of £1,861,357 (a £1,025,572 favourable variance to the budget target).
- 4.6.3 The detailed performance against the financial covenants was attached as Appendix 4 and shows that we are meeting the financial covenant targets required.
- 4.6.4 The financial position of the Factoring subsidiary was detailed in Appendices 6 & 7 and shows a surplus to the end of Q3. Arrears reduced to 4.25% (£68,573) in Q3 from 4.93% (£69,093) in Q2 and the company holds a healthy cash balance.
- 4.6.5 The financial position of the Workspace subsidiary was detailed in Appendices 8 & 9 and shows a surplus to the end of Q3. The surplus was higher than budgeted for at this stage and was the result of a combination of significantly more rent and service charge income and an underspend on our major repairs budget. The Workspace was showing a healthy cash balance at the end of Q3, while long term loans are reducing.

4.6.6 The financial position of our development and investment programmes were detailed in Appendices 10 & 11. The Director of Finance and Corporate Support advised that our KPI's show that we're behind on the delivery of our capital investment works. This is due to the spend being assumed to be spread equally across the year, when in fact most projects commenced in Q2, with the bulk of spend due to occur in Q4.

4.6.7 There were no further comments or questions, and the Board noted the report.

5.0 Non-Recoverable Rent Arrears Q1 – Q3

5.1 The purpose of this report was for the Board to consider and approve the request to write off irrecoverable former tenant arrears for the period covering April – December 2021.

5.2 The total value of former tenant arrears at the end of Q3 was £94,312 (0.5% of overall rent & service charge debit). A breakdown of arrears by neighbourhood area was set out at section 3.2 of the report with a full breakdown detailed in the attached Appendix 1.

5.3 The Depute Director advised that, in accordance with the Rent Arrears Policy, the Association has pursued all former tenant arrears, and each case had been regularly reviewed up to the point where there is no prospect of recovery, or it has become financially unviable to pursue the debt. Where appropriate, cases proposed for debt-write off have been passed to Network Credit Services, the Association's current debt recovery agent. Any monies recovered are credited to the tenant's account.

5.4 After a short discussion, the Board:

- a) Approved the total amount of £53,151.96 be written off in line with the Association's rent arrears policy and the finance department's accounts management procedures.
- b) Noted the budget set aside for bad debt is set at £160,000 for this financial year.
- c) Noted that this request relates to irrecoverable arrears in former tenancies identified in 2021/22 Q1 -3. The next report will be submitted in August 2022 and will cover Q4 of 2021/22 and Q1 2022/23.

6.0 Options for the Amendment of Rules

6.1 The purpose of this report was for the Board to consider and discuss the report prepared by Harper MacLeod, Solicitors, (Appendix 1) and consider and agree the next steps in relation to the amendment of the Association's Rules.

6.2 At the meeting on 26 October the Board considered a report and agreed that legal advice should be sought on the benefits and risks attached to the proposed changes. A report from our solicitors, Harper MacLeod, had since been instructed and obtained and was attached as Appendix 1 for consideration.

6.3 Following a lengthy discussion, the Board:

- a) Requested that a further report be brought back to the meeting in April to address the points raised, and to provide answers to the questions asked at this meeting.
- b) Noted that the April Board Meeting would be used to consider future opportunities and will include a discussion on mid-market rental properties.

**Fiona /
Shona**

7.0 Health and Safety

7.1 This is an opportunity to report on safety performance, funding requirements, safety failures and any other H&S related issues, to allow the board to give all such issues due consideration.

7.2 The Board were advised that, following the recent announcement from the First Minister, a review of our office and meeting protocols is underway to realign our practice with Scottish Government recommendations.

7.3 The Director of Property, Enterprise and Regeneration advised that a start date had now been confirmed to address the fire stopping at the Garscube new-build development and Morris & Spottiswood are expected to be on site on 8 March.

7.4 The Board also noted that a further proposal had now been received from Engie to address the defect with the entrance doors to the Cedar MSF's.

8.0 New Membership Applications

8.1 There were no new applications to be considered.

9.0 Update from Chair of Audit Committee

9.1 The Chair of the Audit Committee provided an update following the meeting that took place on 7 February. He advised that two audit reports were considered in relation to Workspace lettings and arrears control, and Estate Management, both of which were awarded a reasonable level of assurance. The Depute Director also provided an update to the Committee in relation to rent credits and, whilst there is still lots of work to do, the Committee were satisfied that good progress was being made.

10. Minute of Meeting No. 663

10.1 The minutes of meeting 663 held on 25 January 2022 were reviewed for accuracy and matters arising.

The minutes were agreed as an accurate account, proposed by Anne Ramsey and seconded by Margaret Glass.

11.0 Action Tracker

11.1 AT 2021/22:04 – completed and can now be removed.

11.2 AT 2021/22: 05 – Discussion to take place at the meeting on 26 April.

12.0 AOB

12.1 The Board were reminded that we now have the technology available for members who may need to join a meeting remotely however advanced notice would be required.

12.2 Board Members were encouraged to contact the Governance Officer before the end of the week to confirm their availability and preferred dates for the June Board Planning Session which requires to be rearranged.

13.0 Date and Time of Next Meeting

The meeting concluded at 7:45pm.

The next meeting is scheduled to take place on Tuesday 29 March 2022 at 6pm.

I certify that the above minute has been approved as a true and accurate record of proceedings:

Chair: **Date:**