

MINUTES OF MEETING NO.653
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 23 FEBRUARY 2021 AT 6.00 P.M. VIA ZOOM

Andrew Burns, Marilyn Clewes, Ian Elrick, Margaret Glass, David Horner, John McIntyre, Matthew Millar, Anne Ramsey, Bronwyn Wyper.

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

Jim Shankland – Observer.

ACTION

1.0 Welcome and Apologies

1.1 Marilyn Clewes, Chair, opened the meeting and welcomed Jim Shankland who was observing the meeting as part of his induction as a newly co-opted QC Factoring Board member.

Marilyn took the opportunity to congratulate Shona Stephen on her 10 years' service as Chief Executive of Queens Cross.

Apologies from Sadie Gordon and Robert Takenzire.

2.0 Declarations of Interest

2.1 There were no new declarations.

3.0 Q3 Performance 2020/21

3.1 The purpose of this report was to provide the Board of Management with performance information for the third quarter of the financial year 2020/21. 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:

- Q3 KPI's as at 31 December 2020 (Appendix 3.1)
- Q3 Complaints and Compliments Report as at December 2020 (Appendix 3.2)
- Q3 Resident Scrutiny Update (page 2, Item 6.0)
- Q3 Strategic Risk Register (Appendix 3.3)
- Q3 Management Accounts as at 31 December 2020 (Appendix 3.4)

3.1.1 Key Performance Indicators – Q3

Appendix 3.1 shows our current performance against KPIs for Q3 and for the Year to date. There are twenty quarterly KPIs reported and one annual indicator, making 21 KPIs in total for the reporting year. The Board discussed the report and noted that action is being taken to address areas where performance could be improved:

- a) CS 1: Staff sickness absence
- b) FIN 3: Expenditure (Variance to Budget)
- c) HSG 3: Void Rent Loss
- d) HSG 4: Average Property Re-let Time

3.2 Complaints & Compliments – Q3

- 3.2.1 We received 92 complaints this quarter (82 in Q2) and 57 compliments. Appendix 3.2 provided a breakdown of complaints by service area, category and method. To ensure that we are continually learning from complaints we continue to hold lessons learned sessions with staff.

There are no complaints being independently reviewed by the SPSO in this quarter.

3.3 Residents Scrutiny Update – Q3

- 3.3.1 The RTF have continued to meet online regularly and their first meeting of the year took place in January 2021. The Board noted the activities of the RTF in Q3.

3.4 Strategic Risk Register (Appendix 3.3)

- 3.4.1 As part of the Association's risk management process, the Strategic Risk Register was attached as Appendix 3.3 and has been reviewed by the Executive Management Team.

- 3.4.2 Risk 1 – The Association is significantly financially impacted by the Covid-19 crisis with a significant increase in rental arrear and void rent loss and additional emerging service costs impacting both viability, service quality and reputation. The Executive Management Team continue to review the costs of Covid analysis on a monthly basis.

- 3.4.3 Risk 5 – Increased costs of development may impact on our ability to provide new build within existing funding and financial covenant constraints. The Hamiltonhill Phase A tender price has been agreed by the Board and the Developer Agreement is to be signed.

- 3.4.4 Risk 6 – SHQS-EESH standards may not be met or affordable which may result in stock not being fit for purpose or not desirable and therefore impact on demand. We are continuing our programme of EESH works in line with our remedial plan to achieve compliance with a target of 100% stock compliant by March 2022.

- 3.4.5 Risk 6 – New requirements for fire safety are likely following the Grenfell Tower fire. DLO resources have been increased and the programme can now commence.

- 3.4.6 Risk 6 – There is a procurement risk in identifying and managing competent contractors for large scale investment projects. We have negotiated a Final Account which has been agreed by Engie and the contract will be terminated following performance issues.

- 3.4.7 Risk 9 – The impact of private competition and/or growth of debt levels for QC Factoring may hit performance and this may have a negative reputational impact on the Association's service delivery. Arrears levels are being closely monitored and arrears at the end of Q3 were 5.52%.

- 3.4.7 In response to a question raised in relation to an increase in DLO resources (Risk 6), the Board noted that this provides additional in-house capacity for when contractors are unable to attend and that there is no major restructure planned. The Board would be consulted if we planned to revisit this.

3.5 Q3 Management Accounts

- 3.5.1 The Director of Finance and Corporate Support presented the Q3 Management Accounts to 31 December 2020.

- 3.5.2 The Board noted that there was a £3,094,992 surplus against a forecast surplus of £931,756 (a £243,283 favourable variance to the budget target)

- 3.5.3 The Board discussed the income and expenditure position as detailed in Appendix 1 and noted that section 3 of the Management Accounts shows an adverse variance of £17k on the Wellbeing pay budget. This relates largely to the recognition payments to these staff which will be over and above the budgeted amount.
- 3.5.4 The detailed performance against the financial covenants was attached as Appendix 4. This shows that we are meeting the financial covenant targets required.
- 3.5.5 Appendix 5 detailed the Association's loan portfolio and its cash deposits show the interest rate arrangements applicable in both cases. The intention is to reduce the revolving credit debt by reducing cash reserves once security on the bond issue is complete.
- 3.5.6 The financial position of the QC Factoring subsidiary was detailed in Appendices 6 & 7 and shows a surplus to the end of Q3.
- 3.5.7 The financial position of the QC Factoring subsidiary was detailed in Appendices 8 & 9 and shows a surplus to the end of Q3.
- 3.5.8 The financial position of our development and investment programmes were detailed in Appendices 10 & 11. The Board noted that progress with the development programme shows spend and grant drawdown in the quarter behind that budgeted by 23% and 24% respectively. Progress with the investment programme shows spend in the quarter is severely impacted and there is a negative variance of % on the Q3 position.
- 3.5.9 The Board noted that there has been some underspend in employee costs due to a small number of vacancies within our Corporate Services, Exec and Business Strategy teams.

4.0 Model Complaints Handling Procedure

- 4.1 The purpose of this report was to seek Board approval to adopt new Model Complaints Handling Procedure (MHCP) which has been issued by the Scottish Public Service Ombudsman (SPSO).
- 4.2 The MCHP has remained very similar to the last iteration with only a few minor changes which were detailed at section 3.2 of the report.
- 4.3 The SPSO have also introduced 'resolved' as a complaint outcome and this will be used for straightforward issues that require no investigation, for example grass cutting and stair cleaning.
- 4.4 The Board:
- a) Noted that there were two Appendices in the portal for information in relation to the governance and overall complaint handling process.
 - b) Approved the new Model Complaints Handling Procedure.

5.0 EESSH Remedial Plan

- 5.1 The purpose of this report was to seek Board approval of the EESSH remedial plan to achieve full compliance with the standard by 31 March 2022.
- 5.2 During 2020/21, as a result of the Covid-19 pandemic, Government restrictions on works have severely impacted our Investment programme and planned EESSH works. Despite lobbying, Scottish Government maintained the deadline of December 2020 for RSLs to bring all their properties up to required energy efficiency ratings to comply with

EESSE. Scottish Government have stated that RSLs unable to reach full compliance by the deadline should provide a remedial plan to SHR.

- 5.3 Section 3.1 of the report shows that, to date, we have a total of 131 properties which are non-compliant. 41 of these properties are included in our investment programme which had been severely impacted by Covid, however the programme should be able to continue in 2021 with these properties achieving compliance before the end of the year. 80 of the properties require some boiler / heating upgrades and work to renew Energy Performance Certificates (EPC's) and energy saving lightbulbs. We are hopeful that gaining access to these properties will be made easier once Covid-19 restrictions have been lifted. The Board discussed the 4 properties that are likely to be registered as exempt and noted that it was unlikely 3 of the properties would make EESSE standard due to requiring external wall insulation to pre-1919 tenements. The other 1 exempt property is due to the tenant refusing access which does merit an exemption; however we will contact the tenant periodically to discuss this as they may change their mind.
- 3.4 The Board were keen to ensure that tenants living in the 3 properties that were unlikely to meet EESSE standard were not in any way disadvantaged or subject to higher fuel costs. The Director of Property, Enterprise and Regeneration advised that it was possible to review how many points short of the EESSE standard these properties were, and it would be for the Board to decide whether this was significant enough to warrant a rent reduction.
- 3.5 Following discussions, the Board
- a) Approved the EESSE Remedial Plan to achieve full compliance with the standard by 31 March 2022.
 - b) Noted that the Remedial Plan will be provided to SHR.

Rona

6.0 Tenant Satisfaction Survey Results 2020/21

- 6.1 The Chief Executive delivered a presentation on the Tenant Satisfaction Survey Results for 2020/21 which set out the findings of a telephone survey of our tenants, which took place during August-September 2020 and in total, 400 interviews were achieved.
- 6.2 The Board noted that there was increased satisfaction in relation to tenants being kept informed about services and decisions, and with the opportunities for them to participate in decision making.
- 6.3 Although showing a slight downward trend in other areas, it was felt that the results were still very positive given that we have been living through a pandemic and severe restrictions since early 2020.
- 6.4 The Chief Executive outlined the action that will be taken to address:
- Quality of the home
 - Repair satisfaction
 - Management of the neighbourhood
 - Value for money
- 6.5 The Board also noted that in March, our customers will be invited to join us in a programme of online café and conversation events focussing on topics of importance to tenants. These will be relaxed and friendly but focussed on providing solutions to some areas of the business that customers would like to see improved.

7.0 Group Discussions

- 7.1 Following the Tenant Satisfaction Survey presentation, the Board participated in small discussions groups to share their comments and feedback on the survey results.

8.0 Feedback from Group Discussions

7.1 Feedback on the Tenant Satisfaction Survey Results for 2020/21 included:

- Doing more to keep customers informed throughout each stage of our ASB process.
- The lack of visible staff on the ground during Covid-19 may have undermined confidence in Queens Cross as a landlord and the neighborhood's that our tenants are living in. This is expected to improve when restrictions begin to ease.
- Making our schedule of investment works readily available so tenants know what work is expected in their area and when.
- Providing tenants with a rent comparison between Queens Cross and other local RSL's to demonstrate value for money.
- Consideration to be given as to how we reach out to all age groups when conducting surveys.
- Issues with GCC worsening during Covid-19 and tenants not having a clear understanding of who is responsible for what.

The Board welcomed the Café and conversation sessions and were hopeful that these will clearly demonstrate that we are considering the feedback from the survey and taking appropriate action to resolve issues highlighted.

9.0 Health and Safety

9.1 There was an opportunity to report on safety performance, funding requirements, safety failures and any other H&S related issues, to allow the Committee to give all such issues due consideration.

9.2 The Director of Property, Enterprise and Regeneration advised of a recent near miss in the Woodside neighbourhood. The Board noted that an investigation is now underway and an update will be provided at the next Board meeting.

Rona

10.0 New Membership Applications

10.1 Two new Membership Applications were considered by the Board. Eligibility had been checked and both tenants were interested in joining the Board / CIG's which will be followed up by the Governance Officer.

Adele

The Board approved the Membership Applications.

10.2 The Board approved the GWSF membership renewal fee for 2021/22.

11.0 Update from Chair of Audit Committee

11.1 The Chair of the Audit Committee, confirmed that a meeting of the Committee took place on 3 February and the following 3 reports were considered:

- Assurance review of allocations
- Annual Plan 2021/22
- Schedule of prior recommendations

11.2 The Board noted that appropriate recommendations and actions were in place to provide assurance and that copies of all Audit Committee reports and minutes were in the portal for information.

12.0 Minute of Previous Meeting

12.1 The minutes of meeting no. 652 which took place on 26 January 2021 were agreed as an accurate account, proposed by John McIntyre and seconded by Margaret Glass.

13.0 Action Tracker

13.1 There were no changes to the action tracker.

14.0 A.O.B

14.1 The Chief Executive advised members that we have now entered into pay negotiations with Unite following the Board's prior approval to commence negotiations. Following a discussion, the Board:

- a) Granted approval for the Director of Finance and Corporate Support to continue negotiations within the agreed parameters.
- b) Noted that a further report would be brought back to the Board confirming the outcome of negotiations in March.

14.2 The Executive Office Manager advised that Board Member, David Horner, had been appointed as Vice Chair of the QC Workspace Board at their meeting on 4 February. The Board congratulated David on his appointment and thanked him for his continued contribution and dedication to the QC Group.

15.0 Date and Time of Next Meeting

15.1 The meeting concluded at 8pm.

The next meeting is scheduled to take place on Tuesday 30 March 2021 at 6pm.

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

Chair: **Date:**