

MINUTES OF MEETING NO.656
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 25 MAY 2021 AT 6.00 P.M. via ZOOM

Andrew Burns, Marilyn Clewes, Margaret Glass, Sadie Gordon, David Horner (part), 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), Elizabeth Hood (Depute Director), Louise Smith (Head of Housing & Housing Support), Fiona Smith (Executive Office Manager), Adele Drennan (Governance Officer), Niall McKinnon (Head of Development – item 7 only)

Matthew Kromtit (Observer)

ACTION

1.0 Welcome and Apologies

1.1 Marilyn welcomed everyone to the meeting, and in particular, to to a tenant who was in attendance as an observer.

Apologies from Ian Elrick and Robert Takenzire.

2.0 Declarations of Interest

2.1 There were no new declarations.

3.0 Q4 Performance 2020/21

3.1 The purpose of this report was to provide the Board of Management with performance information for the fourth 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:

- Q4 KPIs and performance overview
- Q4 Complaints and Compliments Report
- Q4 Strategic Risk Register
- Q4 Management Accounts
- SHR Covid-19 Return April 2020 – March 2021

3.2 Key Performance Indicators – Q4

Appendix 3.1 shows our current performance against KPIs for Q4 and for the Year to Date (YTD) which being Q4 is the annual performance figure. 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) HSG 3: Void Rent Loss
- c) HSG 4: Average Property re-let time
- d) MT 5: Tenant satisfaction with the repairs service

3.3 Q4 Complaints & Compliments (Appendix 3.2)

3.3.1 We received 89 complaints this quarter (92 in Q3) and 17 compliments. Appendix 3.2 provided a breakdown of complaints by service area, category and method. We are continuing to learn from complaints by delivering further training to staff, reviewing the

communication that is issued to new tenants and carrying out a review of void standards. There was 1 complaint independently reviewed by the SPSO in this quarter however they confirmed that they are not taking the complaint any further and believed that the Association's handling was proportionate.

3.4 CIG and Residents Scrutiny Update – Q4

- 3.4.1 The RTF are continuing to have 6 weekly meetings and will be presented with results from their individual appraisals undertaken in January 2021. The Board noted the activities of the Residents Task Force in Q4.
- 3.4.2 The CIGs are supporting the Participatory Budget project. An online event was held in March to announce the winning projects. Over 100 people voted and 20 attended the online event.
- 3.4.3 A joint CIG and RTF meeting was held in March to discuss the benefits of the groups working together more closely. It has been agreed to hold these meetings every 2 months.

3.5 Q4 Strategic Risk Register (Appendix 3.3)

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.

- 3.5.1 Risk 1: Financial Reputation – 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 ET continue to review the cost of Covid analysis on a monthly basis.
- 3.5.2 Risk 5: Increased costs of development may impact on our ability to provide new build within existing funding and financial covenant constraints. Hamiltonhill Phase A tender price has been agreed by the Board and a Developer Agreement is to be signed.
- 3.5.3 Risk 6: SHQS-ESSH 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 ESSH works in line with remedial plan to achieve compliance with target of 100% stock compliant by March 2022.
- 3.5.4 Risk 6: New requirements for fire safety are likely following Grenfell Tower fire. DLO resources have been increased and programme can now commence.
- 3.5.5 Risk 6: Procurement risk in identifying and managing competent contractors for large scale investment projects. Major Repairs Phase 1 has been procured with a staged contract to manage risk and we are building capacity to undertake more work in-house.
- 3.5.6 Risk 9: Factoring, impact both of private competition and or growth of debt levels for QC Factoring may hit performance. May have negative reputational impact on association service delivery. Arrears levels are being closely monitored and at the end of Q4 arrears were 5.52%.

3.6 Q4 Management Accounts (Appendix 3.4)

- 3.6.1 The purpose of this report was to present the financial information for the Association up to the end of Q4 2020/21 (31 March 2021). The Director of Finance & Corporate Support advised the Board that as we are in the year end process, this is a draft position and the final accounts will differ slightly from the position presented in the report.

- 3.6.2 The Board noted that there was a £3,022,359 surplus against forecast surplus of £1,458,685 (a £1,563,674 favourable variance to the budget target).
- 3.6.3 The detailed performance against the financial covenants was attached as Appendix 4 and shows that we are meeting the financial covenant targets required.
- 3.6.4 The financial position of the factoring subsidiary was detailed in Appendices 6 & 7 and shows a surplus to the end of Q4. The subsidiary holds a healthy cash balance.
- 3.6.5 The financial position of the Workspace subsidiary is detailed in Appendices 8 & 9 and shows a surplus to the end of Q4. The subsidiary holds a health cash balance.
- 3.6.6 The financial position of our development and investment programmes were detailed in Appendices 10 & 11. The Board noted that we don't have the staff resources to take last years' programme and deliver it on top of what is planned for this year, and we need to set realistic expectations for our tenants so that they know when investment works are due to be carried out to their homes.

3.7 SHR Covid-19 Return April 2020 – March 2021

- 3.7.1 In addition to the Q4 performance reports Neil Manley, Director of Finance & Corporate Support delivered a presentation to the Board which showed our Covid-19 return to SHR for the period April 2020 to March 2021 as well as a comparison with our local peers.
- 3.7.1 The Board noted that:
 - a) We had a similar absence trend to other RSL's.
 - b) We are reasonably well positioned in relation to our % of gross rent arrears and this is perhaps due to more focus on rent arrears during lockdown whilst staff have been working from home.
 - c) Our rent arrears trend has remained stable throughout the year.
 - d) Our empty homes on the last day of March shows that the impact of Covid has been felt across the sector however it was noted that this is only a snapshot on that particular day, and perhaps wasn't the greatest indicator.
 - e) Our empty homes trend has been relatively stable compared to some of our other peers.
 - f) We have let the highest number of section 5's compared to our peers which is very positive and demonstrates the hard work that has gone into this.
- 3.7.2 The Board discussed the stats and recognised the hard work of staff throughout the year, particularly in relation to our % of gross rent arrears.

4.0 ASB End of Year Report

- 4.1 The purpose of this report was for the Board to note the performance outcomes for reports of anti-social behaviour in 2020/21, note the objectives for 2021/22, and approve the revised Hate Crime and Domestic Abuse guidance documents (in the portal) which fall under the Anti-Social Behaviour Policy.
- 4.2 Anti-social behaviour complaints increased by 33% from last year with noise being the most common reason for complaints. Whilst lockdown had a significant impact on our tenants resulting in more complaints, the improvements to our recording and monitoring systems have also helped evidence this. Ongoing data collection and analysis next year will be able to identify this trend further.
- 4.3 The number of ASB complaints per month, per neighbourhood, was detailed at section 3.1 of the report and section 3.2 detailed the reasons for reporting ASB.

- 4.4 In 2020/21, we directly received 9 complaints of Hate Crime and during lockdown, incidents of domestic abuse were also a major concern.
- 4.5 The Board recognised that safe neighbourhoods and tackling anti-social behaviour is a priority for our tenants and customers and noted that this will be a key objective for the Housing Service Plan and the 2020-25 Business Plan. The Board discussed the challenges of dealing with ASB complaints and noted the actions we propose to take this year in relation to this which were set out at section 4 of the report.
- 4.6 Following a discussion, the Board:
- a) Noted the outcomes of anti-social behaviour complaints for 2020/21 and the challenges experienced during lockdown.
 - b) Noted the objectives for 2021/22 which are centered on feedback from customers – highlighting improvement in their community and management of anti-social behaviour as key priorities.
 - c) Approved the revised Hate Crime and Domestic Abuse guidance documents.

5.0 FT Arears Write-Off Report

- 5.1 The purpose of this report was for the Board to approve the recommendations set out at section 1 of the report.
- 5.2 In accordance with the Rent Arrears Policy, the Association pursues all former tenant arrears cases. Each case is regularly reviewed up to the point where there is no prospect of recovery, or it becomes financially unviable to pursue the debt.
- 5.3 The breakdown of arrears by housing area was detailed at section 3.2 of the report, with a full breakdown of individual rent arrears set out in Appendix 1. The Association's Financial Inclusion team have actively assisted in maximising the uptake of benefits and preventing arrears particularly for those tenants on low to medium incomes, and 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 former tenant's account.
- 5.4 To ensure that our accounts are adjusted and accurate before the end of the financial year, it was also proposed that the timing of the write- off exercise is changed to August and February of each financial year rather than November and May.
- 5.5 The Board:
- a) Approved the write off of former tenant arrears detailed in Appendix 1 of the report in line with the Association's rent arrears policy and the finance department's account management procedures.
 - b) Noted the arrears that had already been written off in November 2021 for Q1 and Q2.
 - c) Noted the total amount of former tenant write-off for the financial year 2020/21.
 - d) Agreed to adjust the timing of the non-recoverable rent arrears report to August and February each year to enable the rent account to be adjusted during Q4 of the same financial year.

6.0 Annual Return on the Charter (ARC) 2020-21

- 6.1 The purpose of this report was to present the draft 2020-21 ARC submission to the Board for approval.
- 6.2 The ARC demonstrates a Social Housing Landlord's performance against the Social Housing Charter and is used for benchmarking performance between RSL's.

- 6.3 The Board gave consideration to the two documents that had been placed in the portal in advance of the meeting:
- Appendix 1 – A PowerPoint presentation giving an overview of the data input into the portal (showing a comparison between 2020/21 and 2019/20).
 - Appendix 2 – Full Charter return in PDF format.

- 6.4 Following a brief discussion, the Board:
- a) Approved the final ARC submission to the SHR.
 - b) Noted that the submission was due on 31 May, however due to the public holiday this will be submitted by the Director of Finance & Corporate Support on Friday 28 May.

7.0 Development Programme 2021-22

- 7.1 The purpose of this report was the Board to note the grant funding for the Association's Development Programme in 2021-22, and to seek Board approval for the commitment to the Development Agreement between the Association and Urban Union to facilitate the provision of housing for sale as part of the masterplan proposals in Hamiltonhill.

- 7.2 The Association met with GCC NRS staff earlier in the month to discuss our programme for this year, on the basis that the Scottish Government has provided significantly more grant funding than anticipated. However, the Council did advise that the majority of the available funding would be required to fund committed projects already with grant approvals.

7.3 Programme

The Council have advised that the Association has been allocated a provisional grant planning target [GPT] of £10.595m, to be spent of the following 3 projects:

- Hamiltonhill Phase 1 (new housing) £7m
- Hamiltonhill Grouting (south area) £2.5m
- Burnbank Gardens (acquisition & demolition) £1.095m

- 7.3.1 The Phase 1 allocation was based on the Association previously agreeing to front fund costs up to £5m on the basis of the reduced grant programme. With the delay of 3 months in achieving a site start, now hoped for June, the front funding will be much reduced, and the £7m is seen as a prudent grant allocation to avoid over-committing. The grouting works, due to go on site in September, should be adequately covered by the allocated grant figure.

- 7.3.2 Burnbank Gardens has now received Planning approval for 48 units, after a protracted discussion with GCC Planning, which provides us with some comfort that the proposals can be progressed. The acquisition from the Council will hopefully conclude in the foreseeable future and allow us to progress with the demolition of the existing building.

- 7.3.3 Further potential projects may require to be front-funded by the Association, although this is likely to incur relatively minor costs. This would be subject to review at the mid-year point and additional grant may then be available.

7.4 Hamiltonhill Development Agreement

- 7.4.1 The Association has been negotiating the terms of a Development Agreement with Urban Union for the delivery of the 350 sales units in Hamiltonhill. This Agreement is now all but finalised and requires to be approved and signed by the Board imminently to enable a construction contract to be placed and achieve the planned site start on Phase 1 in June. The principles of the Development Agreement have been considered

by the Board previously, however the key points for the Board to note were detailed in sections 7.2 to 7.9 of the report.

- 7.4.2 The Land will remain in QCHA ownership throughout the development period and Urban Union will build on the land under a licence to occupy. On the sale of any property, the Association will transfer title to the purchaser.
- 7.4.3 Each of the 4 proposed phases will be independent and will require agreement from the parties before proceeding.. There are provisions for Urban Union to provide regular reports on progress with sales and income, to allow the Association to monitor the position over the period.
- 7.4.4 The Board noted that the Development Agreement has been designed to cover the Association's interest so there remains little significant risk under its terms, and the key issue is the recovery of costs from Urban Union which will be achieved from sales income received by them.
- 7.5 Following a discussion, the Board:
- a) Noted the potential grant funding for the Association's Development Programme in 2021-22.
 - b) Approved the arrangements under the Development Agreement between the Association and Urban Union to facilitate the provision of housing for sale as part of the masterplan proposals in Hamiltonhill.

8.0 Adoption of 2020 Model Rules

- 8.1 The purpose of this report was for the Board to consider the information contained within the report and agree the recommendations at section 1.
- 8.2 The SHR expects the Association to update its constitution and adopt the amendments in the SFHA model rules 2020 as soon as practicably possible. The rule change must be adopted for the Board to have the option to hold a virtual AGM in September 2021 if required. Failure to adopt the 2020 Rules would need to be reported to SHR in the Annual Assurance Statement.
- 8.3 Fiona Smith, Executive Office Manager confirmed that our legal advisors, Harper MacLeod had provided a tracked changes draft of the Rules which were attached as Appendix 1 and have been updated to reflect the relevant terms of the SFHA 2020 Model Rules. There were still a few formatting issues re: text alignment etc. which will be addressed before the draft is finalised and a clean copy of the Rules will be circulated to members.
- 8.4 The changes are relatively minor and Appendix 2 details the main differences between the current Rules and the 2020 Model Rules. The Board found this document clear and helpful, and noted out intention to also circulate a copy of this document to our members.
- 8.5 To allow the SGM to take place in line with SG coronavirus guidance (at the time the SGM is called) it is intended to promote the use of the proxy vote. The Board noted that the Governance Officer was scheduled to attend the joint Community Involvement Group (CIG) that same week to explain the process to them and ensure that they have a clear understanding on what it is they are being asked to vote for.
- 8.6 Following a discussion, the Board:
- a) Agreed the rule amendments presented in Appendix 1.
 - b) Agreed that the Secretary calls an SGM to take place on Monday 28 June 2021.

9.0 Annual Health & Safety Report

- 9.1 The purpose of this report was for the Board to consider the report prepared by our Health & Safety Consultant (Appendix 1).
- 9.2 This report is a review of the present position of Queens Cross Housing Association in respect of its duties under health and safety legislation for the information of the Board. This annual report looks both back to previous recommendations and forwards across the current health and safety landscape. Issues relating to the impacts of the COVID-19 virus are a central theme this year.
- 9.3 Aside from Covid, the report is also clear in terms of our safety management system and regulatory requirements. The report highlights recommendations in each area and prioritises these. The Board felt very reassured that there were no priority 1 recommendations and noted that the priority 2 and 3 recommendations will be picked up in the workplan for our in-house Health & Safety Committee in the year to ensure that these are not overlooked.
- 9.4 In response to a question raised, it was confirmed that a campaign is now underway to carry out neighbourhood inspections and that issues with prams and other large items being left in communal areas of our buildings will be picked up and dealt with as part of this campaign. Rona Anderson, Director of Property, Enterprise & Regeneration also agreed to check whether the fire alarms in closes are inspected/tested regularly and report back to the Board on this.
- 9.5 The Board noted the report.

Rona

10. Report from Remuneration Committee

- 10.1 Marilyn Clewes, Chair, presented the report and confirmed that the Remuneration Committee met on 13 May to discuss reports from the Chief Executive and Eamonn Connolly, Independent Consultant, in line with the remuneration policy. Reports evidenced that all objectives and competency standards had been achieved by the CEO and all Directors over the year 2020/21 and the Committee noted and agreed the 2021/22 objectives for the CEO and Directors.
- 10.2 Marilyn confirmed that the CEO and two Directors are already at the top of their scale, therefore the Board were being asked to approve the recommendation that the Director not yet at the top of the scale receives the standard incremental progression.

The Board

- a) Agreed that the Director not yet at the top of their scale receives the standard incremental progression.
- b)

11.0 Good Governance Matters – Election of Office Bearers

- 11.1 Good governance practice includes effective succession planning and Marilyn Clewes, Chair, made the Board aware of her intention to step down as Chair and from the Board around 18 months ago. This has given the Board time to plan a smooth transition and think about a potential successor who best fits the role profile and has the right skills to take the organisation forward. The Board's annual performance reviews have been taking place each year for a number of years, and have provided an opportunity for each Board Member to share their future plans and aspirations with the Chair and CEO to assist in our succession planning.
- 11.2 Fiona Smith, Executive Office Manager confirmed that the procedure for the election of office bearers had been reviewed to ensure that this was fit for purpose, and that

this had been adjusted slightly to take account of the current circumstances as the election would usually have taken place in the Boardroom.

11.3 As there was a possibility that the election of a Chair would result in a further vacancy for Vice Chair, a call for nominations for both Chair and Vice Chair was issued to Board Members on 18 May. Two sole nominations were received for Chair and Vice Chair and Fiona thanked the Board for taking time to participate in the vote over the past week, confirming their full support for both nominations.

11.4 The Board:

- a) Elected Andrew Burns as the new Chair (elect) of Queens Cross Housing Association.
- b) Elected Anne Ramsey as the new Vice Chair (elect) of Queens Cross Housing Association.
- c) Noted that the new office bearer appointments will be communicated to our members at the AGM in September.
- d) Noted that the appointments will be formalised at the first Board meeting following the AGM when the official handover will take place.

12.0 Health and Safety

12.1 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.

12.2 Rona Anderson, Director of Property, Enterprise & Regeneration gave a brief update on two recent issues.

12.3 These reports are Private and Confidential and contain commercially sensitive information

13.0 New Membership Applications

13.1 There were no new membership applications for consideration.

14.0 Update from Chair of Audit Committee

14.1 John McIntyre updated the Board on the outcome of the recent Audit Committee meeting which took place on 5 May. The Committee considered 5 reports when it met which included 2 assurance reviews – tenancy sustainment which achieved reasonable assurance, and business planning which achieved substantial assurance. The Committee also considered the 2020/21 annual report which summarised the 7 audits carried out in the last year and also looked at the audit strategy and internal audit plan for the coming year. Although a follow up review highlighted that only 1 out of 21 actions had been completed, it was noted that Covid related restrictions had a significant impact on progress and implementation of these recommendations, and the Committee were satisfied that we continue to have a robust audit programme in place with strong internal controls.

15.0 Minute of Meeting No. 655

15.1 The Minutes of meeting no. 655 which took place on Tuesday 27 April were reviewed for accuracy and matters arising.

The minute was agreed as an accurate account, proposed by Anne Ramsey and seconded by John McIntyre.

16.0 Action Tracker

16.1 There were no changes to the action tracker.

17.0 A.O.B

17.1 Shona Stephen, Chief Executive confirmed that due to the level 3 restrictions which remain in place in Glasgow, the Board's business planning event that was scheduled to take place on Friday 18 June will now be delivered over 2 evening sessions week commencing 14 June. Members were encouraged to complete an online poll before the end of the week confirming their availability, and we will confirm the final dates that suit the majority of members once everyone has responded.

17.2 Shona Stephen, Chief Executive shared the recent Best Companies survey results with the board for which QCHA was awarded 1 star accreditation. The survey is a good way of benchmarking against other organisations and tell us what the drivers are for staff as well as any areas for improvement. Shona was delighted to inform the Board that QCHA have been confirmed as Scotland's 34th best company to work for in 2021, and 14th best Housing Association.

The next step is to build areas for improvement into our departmental plans and ensure that we continue to make excellent progress.

18.0 Date and Time of Next Meeting

The meeting concluded at 7.55pm.

The next meeting is scheduled to take place on 31 August 2021 at 6pm.

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

Chair: **Date:**