

MINUTES OF MEETING NO.667
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 24 MAY 2022 AT 6.00 P.M. at 45 FIRHILL ROAD

Andrew Burns, Ian Elrick, Margaret Glass, David Horner (virtual), John McIntyre, Anne Ramsey, Bronwyn Wyper.

Shona Stephen (Chief Executive), Neil Manley (Director of Finance & Corporate Support), Rona Anderson (Director of Property, Enterprise & Regeneration), Donald Hogg (Head of Business Services), Elizabeth Hood (Depute Director of Neighbourhood Services), Louise Smith (Director of Neighbourhood Services), Fiona Smith (Executive Office Manager), Margaret Brannan (Business Strategy Manager – item 4.2 only), Adele Drennan (Governance Officer – minute taker)

Ikenna Onyewuotu (Tenant Observer)

ACTION

1.0 Housekeeping

1.1 Noted.

2.0 Welcome and Apologies

2.1 The Chair opened the meeting and introduced Ikenna Onyewuotu who was in attendance as an observer. The Board noted that Ikenna first attended the Board recruitment event and will also be observing a future CIG meeting.

3.0 Declarations of Interest

3.1 None.

4.0 Q4 Performance

The purpose of this report was to provide the Board of Management with performance information for the fourth quarter of the financial year 2021/22. The report covered key areas of performance for Q4 in relation to:

- 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)

4.1 KPIs (Appendix 4.1)

Appendix 4.1 showed our current performance against KPIs for Q4 and for the full year's data. There are eighteen quarterly KPIs reported and one annual indicator, making 19 KPIs in total for the reporting year. The Board noted the areas where performance could be improved:

- CS1: Staff sickness absence
- HSG1: Average property re-let time
- HSG4: Void rent loss
- MT5: Tenant satisfaction with repairs

4.2 Complaints & Compliments (Appendix 4.2)

4.2.1 We received 112 complaints this quarter (151 in Q3) and 19 compliments. The report provided a breakdown of all complaints by service area, category and method, and set out our learning and actions arising from each.

4.3 **Residents Scrutiny Update**

4.3.1 The Board noted the activities of the RTF during Q4.

4.4 **Strategic Risk Register (Appendix 4.3)**

4.4.1 The Board and Executive Team held a risk review session linked to the new business plan in October 2021 as part of the Association's risk management process. The Strategic Risk Register arising from that session is attached as Appendix 4.3 and the Board noted that the key changes were in relation to recognising the cost-of-living crisis and changes to welfare benefits.

4.5 **Management Accounts (Appendix 4.4)**

4.5.1 The purpose of this report was to present the quarterly financial information for the Association up to the end of Q4 2021/22 (31 March 2022). This allows the Board to monitor the association's performance against its financial targets and plan. The Director of Finance and Corporate Support advised that that the figures presented were the draft pre-audit results to the end of March 2022, Q4 of 2021/22 financial year, and that there was likely to be many adjustments and accruals following the audit cut-off date in May.

4.5.2 Appendix 1 to the report detailed the income and expenditure for Q4 and the Board noted that there was a £2,965,323 surplus against the year-to-date budgeted forecast of £1,951,535 (a £1,013,788 favourable variance to the budget target). The balance sheet and cash-flows were attached as appendices 2 & 3, and appendix 4 set out the detailed performance against the financial covenants which demonstrates that the targets required were being met. Appendix 5 detailed the Association's loan portfolio and its cash deposits showing the interest rate arrangements applicable in both cases and the Board noted that the intention was to reduce the revolving credit debt by reducing cash reserves once security on the bond issue is complete. Performance of the two subsidiary companies, QC Factoring and QC Workspace was set out in appendices 6-9 and both show a surplus to the end of Q4. The financial position of our development and investment programmes were detailed in appendices 10 & 11.

4.5.3 The Director of Finance and Corporate Support provided a verbal update in relation to the budget and advised that the ongoing negotiations with Unite regarding the pay award remained unresolved with Unite rejecting the current offer. The CEO advised that we have made clear to Unite that the offer made by the Board was final and that this was a fully informed decision based on accurate information and with a long-term view. The Board noted that the Director had committed to sitting down with Unite again to help them better understand the Association's financial position and in the meantime, we would continue to engage with the wider staff team. The Director of Finance acknowledged the need for Unions to represent the interest of their members however stressed that the Association requires to balance and protect the needs and interests of our staff, tenants, service users and investments as, without these, the Association would have no future.

5.0 **SHR Annual Returns**

5.1 The purpose of this report was for the Board to consider and approve the Annual Return on the Charter (ARC – including EESSH), Five-year financial forecast and Loan portfolio returns for submission to the Scottish Housing Regulator (SHR).

5.2 There were no questions or comments by the Board.

5.3 Following consideration, the Board:

- a) Approved the Annual Return on the Charter (ARC) and EESSH
- b) Approved the 5-year financial forecast
- c) Approved the loan portfolio return
- d) Noted that these returns would be submitted to SHR.

Neil

6.0 Hamiltonhill Update & GIF Tender Approval

**The tenant observer left the meeting for this item and was accompanied by the Governance Officer. Niall McKinnon, Head of Development joined the meeting for this item.*

- 6.1 A detailed 7-page report had been issued to members in advance of this meeting. Niall took time to summarise the key points this contract which is a significant undertaking for the Association. Niall talked in detail about the current position on funding against expenditure, and the additional funding that will be required and the overall risk this represents. Niall advised the board that he is attending a meeting with Urban Union on Thursday and needs to understand what level of risk the Housing Association is willing to accept and what flexibility staff have in ongoing discussions. On the assumption that members had read the report, Niall invited questions and there was an in-depth discussion. This discussion is summarised below.
- 6.2 The board was not overly surprised at this situation in the current economic climate and noted that this was a sector wide issue. However, the board was disappointed on the position that Urban Union had taken and expressed concern that the option to retender would likely result in a much higher price so the Association would be no better off. There was discussion on the Scottish Government and Council view on the position across the sector. There was a general feeling that we want the work to proceed and there was an appetite on how we make that work, however this has to be balanced with cost and risk to the Association.
- 6.3 After 40 minutes of discussion the Board was unable to reach a decision on the recommendations at section 1 of the report and requested that a further report including a risk appraisal on the current position with regard to the Hamiltonhill proposals, be prepared and presented at the board planning event. The board requested that this report be issued at least a week in advance of the meeting on 8 June, to allow time for all options to be carefully considered by members.

7.0 Draft New Rules & Approval to call SGM

**The tenant observer left the meeting for this item and was accompanied by the Governance Officer.*

- 7.1 The purpose of this report was for the Board to consider the draft new Rules, as prepared by our lawyers, incorporating the amendments as agreed by the Board at its meeting on 26 April, and agree to call a Special General Meeting of the Membership.
- 7.2 At the board meeting on 26 April the board supported the way forward set out in a report and agreed changes to the following key areas
- a) Operational boundary
 - b) Membership of the Housing Association
 - c) Composition of the Housing Association Board
 - d) Fixed terms of appointment

On the board's instruction, our legal advisors, Harper MacLeod, have now provided a draft tracked changes version, and a clean version, incorporating the amendments above.

- 7.3 The board discussed the following sections in detail
- Key points of assurance and communication all existing members set out at section 6 of the report
 - The risks and mitigations set out in section 7 of the report and noted in particular that independent and professional legal advice has been sought to support the process to ensure that the rule changes being proposed meet the Association's requirements.

- The timing of the process at section 3 of the report if the new rules are to be in place for the AGM planned for 19 September.

7.4 After consideration the board

- a) Agreed the rule amendments being presented in Appendix 1.
- b) Agreed that the Secretary call an SGM to take place on Monday 20 June 2022.

8.0 VFM and Procurement Strategy & Annual Procurement Report

8.1 The Director of Property, Enterprise and Regeneration delivered a short presentation to accompany the report.

8.2 The Board noted that against a background of high inflation across all service sectors, and ever-increasing financial pressure on our customers, achieving best value from procurements and from our own services will be critical in the year ahead. The aims of the VFM and Procurement Strategy are:

- To ensure that we deliver the best possible outcomes for customers from every pound we spend
- To set out our Value for Money approach and how planned Procurements will comply with the Procurement Regulations
- To ensure that best value is viewed in terms of benefit to the customer, the organisation, and the community.

8.3 The Board reviewed Appendix 1 which set out the projected spend within regulated contracts for 2022-23 and showed a total figure of £80m. The Board noted the projects that sit behind that figure include Hamiltonhill, investments, repairs and maintenance, the covid backlog and an uplift in tender prices and risks. In response to a question, it was confirmed that the £16m for repairs and maintenance in 2022-23 was the total value of the contract and not the spend.

8.4 The Director of Property, Enterprise and Regeneration gave a brief update on the 2021/22 Annual Procurement Report. It was noted that tender price inflation was particularly significant in the construction market where labour and material shortages were combined with high demand, fuelled by a backlog of building projects. As a result, planned procurements were significantly impacted and community benefits were restricted as fewer contracts were let.

8.6 The Board noted the report.

9.0 ASB & Estate Management Presentation

9.1 The purpose of this report was for the Board to note the performance outcomes for reports of Anti-Social Behaviour in 2021/22 and the objectives for 2022/23.

9.2 The Depute Director delivered a presentation to accompany her report and explained that the Estate Management End of Year Report for 2021/22 had been placed in the portal for members to consider prior to the meeting. It was explained that Nurture our Neighbourhoods was established following feedback from residents as we moved out of lockdown and is an umbrella campaign for all neighbourhood issues which includes estate management, environmental improvements, sustainability, ASB and community involvement. The Board discussed the highlights from 2021/22 and noted the priorities for the year ahead. It was also noted that end of year reports will be produced to ensure that we record, report, analyse and take forward all actions arising.

9.3 A brief update was also provided in relation to ASB. The presentation set out the total number of ASB complaints received in each of our four neighbourhoods as well as the reasons and outcomes for each complaint. The Board noted that ASB and neighbourhoods are a key focus for Housing Services this year. This includes rolling

out a 'Good Neighbourhood Charter' initiative so our customers can be clear of the standards to expect from us and are aware of their own responsibilities as a good neighbour. We will also focus on the development of system-generated performance reports to enable a more strategic analysis of anti-social behaviour data and trends and we will strengthen our partnership arrangements with Police Scotland, Glasgow City Council, Social Work, Housing First and all other partners to ensure the best outcomes to resolution of anti-social behaviour.

9.4 The Board noted the report.

10. Update from Chair of Audit Committee Meeting

10.1 As the Chair of the Audit Committee required to leave the meeting, the Board agreed to take this item (agenda item 13) next and invited an update from the Chair before leaving.

10.2 The Board noted that the Audit Committee met on 9 May however as one of the members was not in attendance the meeting was not quorate. The committee considered 3 reports however, due to being inquorate, was unable to formally approve the audit strategy and annual plan for 2022/23. The Chair advised that the report had been shared with board members via the portal in advance of the meeting and the Board was invited to consider and approve the annual plan for 2022/23.

10.3 The Board approved the audit strategy and annual plan for 2022/23.

11. Annual Health & Safety Report

11.1 The purpose of this report was for the Board to consider the Annual H&S Report prepared by Jim Tassell, our independent Health and Safety Advisor which had been uploaded to the portal.

11.2 The Director of Property, Enterprise and Regeneration delivered a short presentation to accompany the report. She explained that this was 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, the seventh, looks both back to previous recommendations and forwards across the current health and safety landscape.

11.3 The Board noted that the defining feature of the past year has been Covid-19 and its impact has continued to be profound. This year there have been no accidents reportable under RIDDOR (last year there was one) and the number of minor, non-reportable, staff accidents has remained the same at five. 12 recommendations have been made this year with some being built on or carried over from those made last year. There are no priority 1 recommendations, eight priority 2s and four priority 3s, aimed at building on existing good practice. The Board discussed the recommendations and noted the action being taken to address each of these.

11.4 The Board noted the report.

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.

11.2 There were no matters to report.

13.0 New Membership Applications

13.1 One Application had been received for Association Membership. It was confirmed that eligibility had been checked and that the tenant is considering joining the CIG.

13.1.1 The Board approved the Membership Application.

14.0 Minute of Meeting No. 666

14.1 The minute of meeting no. 666 held on 26 April 2022 was reviewed for accuracy and matters arising.

14.2 Matters arising – The CEO advised that, in relation to 7.5B noted on page 6, the Factoring Board recently had a similar discussion regarding MMR and it was thought best to include this in the business planning discussion later in the year with other QC Group Board Members in attendance.

14.3 The minute was agreed as an accurate account, proposed by Anne Ramsey and seconded by Bronwyn Wyper.

15.0 Action Tracker

15.1 There was 1 action on the tracker regarding MMR and it was agreed to adjust the date to allow a discussion to take place at the Board’s Business Planning Day in November.

16.0 AOB

16.1 Update re: Young Persons Panel
Bronwyn provided an update on the progress of developing a Young Person’s Panel. The Board noted that a meeting had been arranged for earlier in the month however was not well attended. The Customer Engagement Officer plans to link in with the Communications Officer to agree how this group can be better promoted. The next meeting of the Panel will take place in June and a further update will be provided to the Board at the next meeting.

16.2 Board Business Planning Day
The meeting will take place on Wednesday 8 June at the C7 Conference Centre. Members of the subsidiary Boards have been invited to join for lunch and an afternoon session to review progress against the business plan objectives and the Group’s priorities for 2022/23.

17.0 Date and Time of Next Meeting

The meeting concluded at 8.03pm.

The next meeting is scheduled to take place on Tuesday 30 August 2022 at 6pm.

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

Chair: **Date:**