

MINUTES OF MEETING NO.669
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 30 AUGUST 2022 AT 6.00 P.M. via ZOOM

Ian Elrick, Margaret Glass, Sadie Gordon, David Horner, Matthew Millar, Anne Ramsey, Bronwyn Wyper.

Shona Stephen (Chief Executive), Neil Manley (Director of Finance & Corporate Support), Elizabeth Hood (Depute Director of Neighbourhood Services), Louise Smith (Director of Neighbourhood Services), John Boyle (Head of Property Services – items 7 and 8 only), Niall McKinnon (Head of Development – items 9 and 10 only), Adele Drennan (Governance Officer – minute taker).

ACTION

1. Welcome and Apologies

- 1.1 Anne Ramsey, who was acting Chair, welcomed everyone to the meeting and explained that the meeting was taking place online due to a recent surge in Covid cases which had affected some of our Board members and staff.

Apologies received from Andrew Burns, John McIntyre, Rona Anderson (Director of Property, Enterprise, and Regeneration, Donaldal Hogg (Head of Business Services), Fiona Smith (Executive Office Manager).

2. Housekeeping

- 2.1 Noted.

3. Declarations of Interest

- 3.1 Anne Ramsey declared an interest in relation to item 7.

4. Q1 Performance 2022/2023

- 4.1 The purpose of this report is to provide the Board of Management with performance information for the first quarter of the financial year 2022-23. This report covers key areas of performance for Q1 and were applicable as of 30 June 2022:

- 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 The CEO advised that as the performance reports were so detailed, and to free up time for other matters to be discussed, she would highlight the key points from each of the reports and then take questions from the Board.

4.3 Key Performance Indicators – Quarter 1 and annual performance (Appendix 4.1)

- 4.3.1 Appendix 4.1 shows our current performance against KPIs for 2022-23 for Q1 and for the year to date. There are eighteen quarterly KPIs reported and one annual indicator, making 19 KPIs in total for the reporting year. The Board discussed particular areas where performance is below target.

4.4 Complaints and Compliments Report (Appendix 4.2)

- 4.4.1 We received 100 complaints this quarter (112 in Q4) and 20 compliments. The report provided a breakdown of all complaints by service area, category and method, and set out our learning and actions arising from complaints.

- 4.4.2 The Board noted that we continue to learn from complaints and hope to see a significant improvement in tenant satisfaction with repairs when the new repairs tender is in place.

ACTION

4.5 Q1 Residents Scrutiny Update

- 4.5.1 The Board noted the activities of the RTF during Q1.

4.6 Strategic Risk Register (Appendix 4.3)

- 4.6.1 The Board considered the risk register and noted steps that are being taken to mitigate these. Specific reference to inflation and energy costs has been added.

4.7 Q1 Management Accounts (Appendix 4.4)

- 4.7.1 The Director of Finance and Corporate Support presented the quarterly financial information for the Association up to the end of Quarter 1 2022/23 (30th June 2022). This consisted of the narrative report and attached financial reporting appendices for the Association and its subsidiaries, Queens Cross Factoring and Queens Cross Workspace.

- 4.7.2 Appendix 1 to the report detailed the income and expenditure for Q1 and the Board noted that there was a £1,154,433 surplus against year-to-date budgeted forecast of £351,600 (a £802,832 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 Q1. The financial position of our development and investment programmes were detailed in appendices 10 & 11. It was noted that progress with the development programme shows spend and grant drawdown in Q1 being £99k expenditure and £56k grant received. The board also noted the new format of the report which now includes front-funding spend. As Phase 1 works are set to commence at Hamiltonhill in the next few months, a more significant level of spend is expected the year ahead.

5. Annual Complaints Report 2021/22

- 5.1 The purpose of this report was to provide the Board with a summary of the Association's complaint and compliments performance from 1 April 2021 to 31 March 2022, and to demonstrate performance against the Scottish Public Services Ombudsman's (SPSO) target.

- 5.2 The Board noted that covid had been a key factor in limiting the organisation's ability to deliver services over the past year and our focus for 2022-23 is on improving how we record learning from complaints and how they translate into continuous service improvement. We are aiming to embed a structured approach to learning from complaints which will form part of our continuous improvement framework based on the EFQM methodology and to be built over 2022-23. We have revised an existing Business Strategy post to reflect this intention with an appointment made to the Continuous Improvement Officer role in August 2022.

- 5.3 The Board noted the report.

6. 2021/22 Annual Accounts

6.1 The purpose of this report was to present the external audit management report to the board, the letter of representation and the Group Annual Accounts incorporating the HA Accounts.

- 6.2 The Factoring and Workspace Boards reviewed their subsidiary accounts separately and these had been incorporated with the HA's results to form the group accounts. The annual accounts therefore contain two versions of each key reporting statement, one for the Group and one for the Association on its own. The reports were then reviewed by the audit committee on the 22 August and Scott Gillon was present from Wylie Bisset to answer any question concerning the audit. A few spelling, typographical and presentational errors were highlighted, and these had been altered in the final copies which were presented.
- 6.3 The Director of Finance and Corporate Support highlighted some key points from the management letter. He referred to the total comprehensive income of £4.5m on page 6 and explained that although this appeared to look like a huge surplus, the reduction of the actuarial gain/(loss) of £3.2m for the pension scheme leaves a surplus for the year of £1.2m which was down from £2.1m in 2020/21. The reduced surplus demonstrates the impact that the cost-of-living crisis is having and is likely to be an early indicator of what we can expect to see going forward. The outstanding audit recommendation for the prior year in relation to rents in advance was also highlighted, and the Board noted that, whilst it is a time-consuming process, good progress is being made as we continue to work through balances and clear or repay as appropriate, and further progress can be expected.
- 6.4 Ian Elrick, member of the Audit Committee, confirmed that following much consideration and scrutiny at the recent audit committee meeting, members of the audit committee were both satisfied and assured with the figures and information presented and recommended approval and signing of the accounts by the Board.
- 6.5 There were no further questions or comments, and after consideration, the Board:
- a) Noted the content and representations made in the letter of representation (Appendix 1 – also on page 19 of the Annual Report) and confirmed its agreement to its content to allow this to be signed off.
 - b) Reviewed the Annual Management Report (Appendix 2) including the financial review, Section 3 and the Audit Recommendations Section 7 and 8.
 - c) Reviewed the detailed annual Group Accounts statement (Appendix 3) and approved them to be signed by the Chair and other relevant board members.

7. Westercommon Maisonettes: Common Works Tender Approval

John Boyle (Head of Property Services) joined the meeting at 6.40pm to present this report.

- 7.1 The purpose of this report was for the Board to consider, and if appropriate, approve the Tender received from Ailsa Building Contractors Ltd following the outcome of the block vote.
- 7.2 Tenders were issued in April 2021 via the Scottish Procurement Alliance Framework for a combined internal and fabric repairs project. Tenders were returned in June 2021 but as the costs were above budget the Board requested that the project be re-tendered into two separate projects. This project was re-tendered to the wider Scottish construction market in May 2022 and six bids were received which were then checked by our Cost Consultant.
- 7.3 The Board discussed the various options available to owners who are due to pay a share of the cost of the works; these included setting up a payment plan, adding a charge to the property so that costs can be reclaimed from a future sale, or selling to the Association and remaining in the property as a tenant.
- 7.4 The CEO confirmed that, in anticipation of some of the owners impacted by the proposed repair works contacting their elected representatives, we have issued a

briefing note (Appendix 1) to local elected members to make sure that they understand the background to these works and the role that the council can play.

ACTION

- 7.5 Following a discussion, the Board:
- a) Noted that, as Anne Ramsey, had declared an interest in relation to this item, she did not participate in the discussion, nor did she contribute to the Board's final decision on this matter.
 - b) Approved the tender submitted by Ailsa Building Contractors Ltd following the outcome of the block vote for 27 Westercommon Drive.

8. Making Places Tender Approval

8.1 The purpose of this report was for the Board to consider and, if appropriate, approve the Association entering into negotiations with Mackenzie Construction Ltd, and agree to delegate authority to the Chief Executive to approve the tender.

8.2 The Board:

- a) Granted approval for the Association to enter into negotiations with Mackenzie Construction Ltd, with a view to agreeing a reduced construction figure in line with the budget figure and noted that this figure would also consider grant monies to ensure that the Associations expenditure does not exceed the budget.
- b) Agreed to delegate authority to the Chief Executive to approve the reduced tender amount, following the value engineering / negotiation.

9. Hamiltonhill Reporting Template

9.1 The purpose of this report was for the Board to note the draft reporting template for the Hamiltonhill regeneration projects and to provide comments on the contents.

9.3 Following a short discussion, the Board noted and approved the reporting template for Hamiltonhill regeneration projects.

10. Private and Confidential Report – commercially sensitive

11. Former tenant write-off report

11.1 The purpose of this report was to seek approval to write off 67 cases at a value of £17,451.53.

11.2 In accordance with the Rent Arrears Policy, the Association has pursued all former tenant arrears cases with each case being regularly reviewed up to the point where there is no prospect of recovery, or it becomes financially unviable to pursue the debt. The Depute Director confirmed that the total value of former tenant arrears at the end of Q1 is £68,539 (0.5% of overall rent & service charge debit). Existing former tenant arrears not submitted for write-off are currently being pursued. The total write-off of £17,451.53 for this period represents 0.2% of the total rent and service charge debit and a breakdown of arrears by housing area was detailed at section 3.2 of the report with full details provided in the attached appendix.

11.3 The Board:

- a) Noted the budget set aside for bad debt was set at £130,000 for this financial year.
- b) Approved the former tenant write-off report and that the total amount of £17,451.53 to be written off in line with the Association's rent arrears policy and the finance department's accounts management procedures.

12. Governance Matters

- 12.1 The purpose of this report was to present information to evidence compliance with SHR Regulatory Standard 6 and the Association's Rules. This includes compliance with the constitution, priorities and actions resulting from the QC Group Board Member Annual Performance Review (APR) meetings.
- 12.2 In the absence of the Executive Office Manager, the Director of Finance and Corporate Support presented the report. He outlined each of the recommendations at section 1 and provided a verbal summary of the key points.
- 12.3 Following a short discussion, the Board:
- a) Noted the priorities and actions resulting from the QC Group Board Member 2021/22 Annual Performance Reviews.
 - b) Approved the QC Group Training Plan for 2022/23
 - c) Noted the outcome of a Special General Meeting (SGM) of QCHA held on 20 June 2022 and approve the reviewed QCHA Membership and Board Recruitment Policies which reflects these changes.
 - d) Noted the arrangements in place for the Association, Workspace and Community Foundation AGMs, and the Board meeting that will take place immediately after the Association's AGM.
 - e) Delegated approval of the Annual Report to the Chair and Chief Executive.
 - f) Note the position regarding appointments to all QC Group Boards (including office bearers), consider the Association Board Succession Plan and agree priorities for QC Group board member recruitment during 2022/23.
 - g) Agreed the nominations for vacancies on the Board and CIG's that will be presented at the AGM.
 - h) Noted the position regarding QC Group Ambassadors
 - i) Noted that, in accordance with Rule 68, sections 62 to 67 of the Association's Rules have been followed.
 - j) Approved an increase to the financial delegated power for Directors to authorise acceptance of tenders and sign contracts for works, services, and materials with value up to and including £250,000.

13. Update on pay settlement

- 13.1 All staff members, except for the Chief Executive and Director of Finance and Corporate Support, left the meeting for this item.
- 13.2 The Board were updated by the Chief Executive on the current position with Unite on the pay offer. The threat of a strike remains, with Unite possibly moving to a ballot over the next few weeks. The Board asked to be kept informed of any developments and restated their position.

14.0 Health and Safety

- 14.1 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.
- 14.2 There were no matters to report.

15.0 New Membership Applications

- 15.1 9 new membership applications were presented to the Board for approval. It was noted that eligibility had been checked and that the majority of these applications were from

current QC Group governing body members who were now eligible for membership under the new rules.

12.2 The Board approved all 9 membership applications.

16. Update from Chair of Audit Committee

16.1 In the absence of the Chair of the Audit Committee, Ian Elrick committee member provided an update in relation to the most recent meeting which had taken place on 22 August. Other than the 2021/22 annual accounts, the committee considered one internal audit report in relation to budgetary control for which substantial assurance was provided. The committee also reviewed the internal registers and policy review timetable and agreed to accept the tenders for the provision of internal and external audit services from TIAA (internal audit) and Wylie and Bisset (external audit) for a period of 3 years with the option to extend for a further 2 years.

All staff re-joined the meeting at 7:50pm.

ACTION

17. Minutes of Previous Meetings

17.1 The minute of meeting no. 667 which took place on 24 May 2022 was reviewed for accuracy and matters arising. The minute was agreed as an accurate account, proposed by Margaret and seconded by Sadie.

17.2 The minute of special meeting no. 668 which took place on 8 June 2022 was reviewed for accuracy and matters arising. The minute was agreed as an accurate account, proposed by Margaret and seconded by David.

17.3 The note of the QC Group Boards Planning Day which took place on 8 June 2022 was reviewed for accuracy and matters arising. The note was agreed as an accurate account, proposed by Matt and seconded by Bronwyn.

18. Action Tracker

18.1 There were no changes to the tracker.

19. AOB

19.1 494 Great Western Road

The Director of Neighbourhood Services advised that when the property became vacant and was no longer required as a homelessness service, the Board agreed to let the property to a small charity, Glasgow Night Shelter, which accommodated people who struggled with applications for refugee status and had no access to public funds. GNS were hit hard by the pandemic but moved into the property in August 2020 and has recently rebranded as Safe in Scotland. The charity relies solely on charitable funding and having to focus on this has impacted on their ability to deliver other things. To strengthen the charity, they had since joined the Simon Community, which is a bigger, more robust charity with greater access to funding. The Board agreed that the property could be leased to the Simon Community on the terms outlined by the Director.

19.2 Raffle at PoQC Awards – 7 October

The Board agreed that the QC Community Foundation, could run a raffle at the Pride of QC Awards which were taking place on 7 October to raise funds for the charity.

19.3 Young Persons Panel

Bronwyn advised that no further meetings have taken place since May however 3 promotional videos have been produced with the help of the Communications Officer

and Customer Engagement Officer which are available to view on the QC official YouTube channel.

19.4 Gala Day update

The CEO advised that the Gala Day which had taken place on 20 August was a huge success with over 2,000 people in attendance. She wished to formally thank all staff and volunteers who had given up their time to make it happen and advised that there were lots of lovely photographs taken on the day.

20. Date and Time of Next Meeting

The meeting concluded at 8.20pm.

The next meeting is scheduled to take place on Monday 19 September immediately following the AGM.

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

Chair: **Date:**