***MINUTES OF MEETING NO.687***

***PERFORMANCE AND ASSURANCE MEETING***

***QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT***

***HELD ON 27 FEBRUARY 2024 AT 6.00 P.M.***

Andrew Burns, Ian Elrick, Margaret Glass, Sadie Gordon, John McIntyre, Matthew Millar, Anne Ramsey, Bronwyn Wyper.

In attendance: Phil Daws – observer

Elizabeth Hood (Depute Director), Donalda Hogg (Depute Director of Property, Enterprise & Regeneration), Neil Manley (Director of Finance & Corporate Support), Alison McKay (Governance Advisor) – Minutes, Fiona Smith (Head of Customer First), Louise Smith (Director of Neighbourhood Services), Shona Stephen (Chief Executive Officer)

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|  |  | ACTION |
| **1.0** | Housekeeping |  |
| 1.1 | Noted |  |
| **2.0** | Welcome and Apologies |  |
| 2.1 | Andrew welcomed everyone to the meeting. Apologies were noted from David Horner.  Andrew introduced Phil Daws who will be taking up the post of Director of Property and Placemaking on 8 April. |  |
| **3.0** | Declarations of Interest |  |
| 3.1 | There were no declarations of Interest |  |
| **4.0** | Q3 Performance |  |
| 4.0.1 | The purpose of this report was to provide the Board of Management with performance information for the third quarter of the financial year 2023-24. Strategic performance is measured through the monitoring of the Association’s Business Plan, Key Performance Indicators (KPIs), complaints and management accounts. This report should facilitate effective monitoring and scrutiny by the Board. This report covers the Q3 period: October, November, December 2023 and the cumulative/average year end results as appropriate. This report was presented by Neil Manley, Director of Finance & Corporate Support. |  |
| **4.1** | Key Performance Indicators – Quarter 3 Annual Performance |  |
| 4.1.1 | Item 4.1 showed our current performance against KPIs for 2023-24 for Q3 and for the full year’s data. There are 18 quarterly KPIs reported and one annual indicator, making 19 KPIs in total for the reporting year. The KPI’s in red continue to be the areas of issue through the year. |  |
| 4.1.2 | Neil highlighted area where targets were not being met and action being taken to address this. It is anticipated that Q4 results are presented improvements will be visible. A significant improvement is showing in Q3 for void & property relet times, it was noted that partnership working between Housing and Property services has resulted in an improvement in in Q2 & Q3, it is anticipated figures will continue to improve in Q4. |  |
| 4.1.3 | Following improvements shown in Q1 & Q2 on Tenant satisfaction with repairs, a slight decrease was noted in Q3. Trends show that along with other organisations there often a seasonal decrease in satisfaction in Q3 due to bad weather and higher demand for repairs during this period . |  |
| 4.1.4 | The Board noted improved void performance and asked for thanks to staff to be formally recorded. |  |
| **4.2** | Complaints & Compliments |  |
| 4.2.1 | This report is the Q3 Complaints and Compliments Report for the period 01 October – 31 December 2023. |  |
| 4.2.2 | The Board noted the contents of this report. |  |
| **4.3** | Strategic Risk Register |  |
| 4.3.1 | The Board noted that following the Business Planning Days in June and December, the Executive Team took time to review and update the risks. The strategic risk register now reflects the items discussed and board meetings and business planning days. The Board were invited to add any risks to this register and advised that as this is a live document, risks can be added at any time. |  |
| 4.3.2 | The Board noted the contents of this report . |  |
| **4.4** | Quarter 3 Management Accounts |  |
| 4.4.1 | The purpose of this report was to present the quarterly financial information for the Association up to the end of Quarter 3 2023/24 (30th December 2023). This report consisted of the narrative report and financial reporting appendices for the association and the subsidiaries, Queens Cross Factoring and Queens Cross Workspace. |  |
| 4.4.2 | A favourable income variance of £134,551 was noted. Positive work on arrears and debt recovery offset higher void rent losses) and timing adverse positions on Wellbeing income. |  |
| 4.4.3 | The detailed performance against the financial covenants was detailed in Appendix 4. There has been a slight improvement in the Interest cover position and the Association is now meeting the target at Q3. |  |
| 4.4.5 | The Balance sheet and cash balance appendix show an increase on cash balance. It was noted the funds from Clydesdale bank require to be fully drawn by 18th December 2024. |  |
| 4.4.6 | The Board noted the contents of this report. |  |
| 4.4.7 | Donalda Hogg, Depute Director of Property, Enterprise and Regeneration advised that both QC Factoring & QC Workspace are in a more favourable financial position than budgeted for. These figures were detailed in appendices 6,7, 8 & 9. |  |
| 4.4.8 | Appendices 10 & 11 detailed the detailed the financial position of our development and investment programmes. Shona Stephen, Chief Executive Officer a further verbal update   * The acquisition of shops on Garscube road were noted on the report and still awaiting settlement. The purchase of these shops concluded on Friday 23 February 2024 after this report was issued. * Appendix 10 advised handover of the first new homes for rent is expected to take place in August. The Housing Services team have started development of a letting programme. . * Plans are underway for Easter events in Hamiltonhill, |  |
| 4.4.9 | The Board noted that Appendix 11 will be updated. The Board discussed the allocation of the Hamiltonhill properties, The Scottish Governments announcement on cutting homelessness housing funding and the traffic issues noted on the investment programme. It was noted that the Lettings Plan will be brought to the Board.in April | EH |
| **5.0** | Non-Recoverable Rent Arrears Q2 & Q3 (Year 2023/2024) |  |
| 5.1 | The purpose of this report was for the Board to approve the write-off request for the period July – December 2023 as detailed in appendix 1 of the report. This report was presented by Elizabeth Hood, Deputy Director. |  |
| 5.2 | The total write-off for this period represents 0.2% of the total rent and service charge debit. Existing former tenant arrears not submitted for write-off are currently being pursued. Breakdowns of each case were provided on item 3.2 of this report and appendix 1. |  |
| 5.3 | The Board noted the contents of this report and approved the write-off value as set out in the report for the period July – December 2023. |  |
| **6.0** | Tenancy Sustainment Strategy |  |
| 6.1 | The purpose of this report was to provide the Board with an annual update of the Tenancy Sustainment Strategy Action Plan 2020 – 2025. This report was present by Elizabeth Hood, Depute Director. All 23 actions are either progressing well or are now completed. The Board held a short discussion around Tenant Satisfaction and the affordable furnishing packages noted at point 11 of the report. |  |
| **7.0** | **Reviewing and demonstrating compliance with the SHR Regulatory Standards** Revised Treasury Management Guidance |  |
| 7.1 | The purpose of this report was for Board members to discuss treasury management as a part of their responsibility for compliance with regulatory standards. This report was presented by Neil Manley, Director of Finance and Corporate Support. |  |
| 7.2 | The Board were advised this report was on the agenda for November 2023 however this meeting was cancelled due to a city wide power cut. This discussion between Board members will explore its responsibilities for treasury management as part of its agreed approach (Board meeting, January 2023, Item 8) to reviewing and demonstrating compliance with the Scottish Housing Regulator’s (SHR) Regulatory Standards. In preparation for this discussion, Board members have been provided with three documents on the board portal: SFHA Treasury Management Guidance (Appendix 1); QCHA’s Treasury Policy Statement (Appendix 2); Audit Committee’s Terms of Reference (Appendix 3). |  |
| 7.3 | Treasury management comes under Regulatory Standard 3: *The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay* (‘The Standards of Governance and Financial Management for RSLs’, SHR, February 2019)*.* |  |
| 7.4 | Slides on Treasury Management were presented to the Board. It was noted that the CIPFA Code defines treasury management as: "the management of the **organisation’s borrowing**, **investments** and **cashflows**, “including its banking, money market and capital market transactions; “the effective control of the **risks** associated with those activities; and the pursuit of optimum performance consistent with those risks.”  Neil advised budget data provided to the board at previous meetings is key information. The Board held a brief discussion on what they see as key objectives or challenges in Treasury Management. Neil provided details on items listed on slide 4. |  |
| 7.5 | It was noted that the Subsidiary companies adhere to their own treasury management arrangements . |  |
| 7.6 | The Board considered the link between business planning and treasury management. Neil advised that the budget is the business plan in financial terms. The treasury management section on this year’s budget paper has been expanded as this has become a more live issue due to the Hamiltonhill development. Types of risks noted were liquidity, credit and counterparty, interest rate, inflation and refinancing. Neil advised that the Board should be reassured operational controls are in place to prevent fraud and money laundering, this is something the auditor also provides reassurance on. Neil highlighted the tools used by the Association to support good treasury management and provide assurance to the Board. |  |
| 7.7 | It was agreed a summary of the loan portfolio position would be brought to the Board around in line with our SHR return. | NM |
| 7.8 | The Board noted changes required to slide 13 since creation in November. Bond finance has now been drawn. The new build programme should grant date should say 24/25 opposed to 24/26. The Association received 5 additional months of HAG. |  |
| 7.9 | Andrew thanked Neil for this presentation noting that the presentation was interesting and helpful putting some of the regular items discussed at meetings into perspective. There were a number of actions agreed. |  |
| **8.0** | **Reviewing and demonstrating compliance with the SHR Regulatory Standards** Report outcomes from 23/24 Reviews. |  |
| 8.1 | As part of the Association’s commitment to provide the board with assurance of compliance with the SHR regulatory standards in 2023 the Board had reviewed membership, rent and tenant safety. Margaret Brannan, Business Strategy Manager is working on a report to summarise the actions agreed as a result of the board review, this report will be uploaded to the abord portal. |  |
| **9.0** | Business Planning 2025-2028 |  |
| 9.1 | This report sets out a proposed approach to the development of business planning for the Queens Cross Group from 2025 – 2028. This paper is for discussion and decision making by the Board. This report was presented by Shona Stephen, Chief Executive Officer. |  |
| 9.2 | 2024 will be our business planning year to map out the next 3 year QC Group business plans for 2025 – 2028. This is a good opportunity with two new directors taking up post and the QC Workspace board now bedded within the group. |  |
| 9.3 | A large survey of our tenants was carried out by Tennant Information Services (TIS) throughout 2023. A good response from this survey was received and tenants have been clear about what is important to them from affordable rents to what rent should be spent on. It was agreed that time should be spent engaging with staff. |  |
| 9.4 | The upcoming Boards business planning days on 14th June and 29th November will focus on the 25-28 business plans with a draft proposal brought to the board in November ready to launch the plan in April 2025. |  |
| 9.5 | Shona will attend meetings of the 3 subsidiary companies to discuss business planning. | SS, AM |
| **10.0** | **Health and Safety** |  |
| 10.1 | Louise Smith, Director of Neighbourhood Services provided the Board with an update on tenant and reside safety . |  |
| 10.2 | The SHR requires the Board to look at 6 key areas, updates on these areas were provided within this report. There were some additional updates on ALCT & EICR’s included within the report. The Board noted the contents of this report |  |
| **11.0** | New Membership Applications |  |
| 11.1 | One new membership application was presented to the Board for approval. It was noted that eligibility had been checked. The Board approved this membership application. |  |
| 11.2 | The Board noted that there had been an excellent response to our recent QC group boards recruitment event on Thursday 22nd February. It is hoped that we will see a number of applications across all four boards. Thanks was noted to Alison McKay , Governance e Advisor for all her hard work resulting in an excellent response . |  |
| 11.3 | The Board approved this membership application. |  |
| **12.0** | Minute of Meeting No. 686 |  |
| 12.1 | Minute of meeting 686 held on 30 January 2023 was reviewed for accuracy and matters arising. The minute was agreed as an accurate account proposed by Anne Ramsey and seconded by Margaet Glass. |  |
| **13.0** | Update from Chair of Audit Committee |  |
| 13.1 | No update was provided. |  |
| **14.0** | Action Tracker |  |
| 14.1 | There were no actions on the tracker. |  |
| **15.0** | **AOB** |  |
| 15.1 | Anne noted that the QC Community Foundation will be holding a daffodil tea at Westercommon 5th April. |  |
| 15.2 | It was noted that a new venue has been arranged for the QC Group Boards business planning days. These will be held in the Studio which is located in Hope Street and has been used by SFHA & SHR. The Pride of Queens Cross awards will be held in the Central Hotel with Urban Union as the main sponsor. |  |
| **16.0** | Date and Time of Next Meeting The meeting concluded at 8.30pm  The next meeting is scheduled to take place on **Tuesday 26 March 2024** |  |
|  | I certify that the above minute has been approved as a true and accurate record of proceedings:Chair: …………………………………. Date: …………………………………… |  |