

Abronhill Housing Association

Hybrid Meeting of the Management Committee held on Thursday 18 May 2023
18:00hrs

Minutes

Present:	C Burns	I Smith	D Brown
	A Peden	R Russell	W Noon (Remotely)
In Attendance:	S Macintyre	J Daisley (minutes)	P Long, FMD

	Agenda Item	Action
1.	Apologies G Watson and A Smith submitted apologies for the meeting.	
2.	Declarations of Interest There were no declarations of interest.	
3.	3.1 Minutes of Management Committee (held on 27 April 2023) Acceptance of the minutes, which had been circulated in advance, was proposed as a true record of the meeting of 27 April 2023 by R Russell and seconded by D Brown. 3.2 Actions/Decision List from Meeting held on 27 April 2023 S Macintyre discussed the actions/decision list: <ul style="list-style-type: none"> • Asset Management Strategy Review has been deferred until June 2023. • Committee Training on Responsibilities as Trustees and Board Members – the trainer has proposed that the training session take place on Thursday 15 June 2023 via Zoom/Teams. • Allocation Policy Review – Housing Management Staff met this week, a questionnaire will be sent to tenants. A text message will also be sent with a link to the questionnaire. • Association's Vision and Values – this is to be included in the next tenant's newsletter. The Association will also include information regarding the Options Appraisal. • Business Plan Objectives for 2023/24 – this will be brought to the June committee meeting. • Void Case Study – A Moore confirmed that there had been issues in receiving quotes for the work required. Only one quote was received before A Moore went on annual leave. When this was chased up the other contractor advised that they had not received the email asking them to provide a 	

	quote. A Moore will request read receipts for any future quotes sent by email.	
4.	<p>4.1 Matters Arising</p> <p>Window and Door Replacement Contract – S Macintyre advised that A Moore had spoken the Scottish Procurement Alliance (SPA) regarding costs for installing triple glazing. The additional costs were unaffordable against the budget set for the programme. R Russell asked what the uplift in costs was per property. S Macintyre advised that he did not have this information but the additional costs would be substantial. S Macintyre confirmed that the SPA were handling the procurement and that it had already commenced. R Russell requested that costs for both double and triple glazing is sought for any future programmes.</p>	
5.	<p>Health & Safety and Cyber Security</p> <p>No report.</p>	
6.	<p>Correspondence</p> <p>There were no items of correspondence.</p>	
7.	<p>Regulatory, Notifiable Events & Governance Matters</p> <p>7.1 Strategic Options Appraisal</p> <p>S Macintyre advised that he included a copy of the strategic options appraisal proposal for information. P McNeil has met with the committee sub group and met staff on Monday 15 May 2023. The report should be ready by the end of June early July at the latest. D Brown asked when the Asset Management Strategy would be completed. S Macintyre advised that P McNeil would be liaising with J Mulholland. As part of the process a survey will be issued to tenants. The committee should know by the end of June which of the four options have been recommended.</p> <p>7.1i Annual Return of the Charter (ARC)</p> <p>S Macintyre advised that the Annual Return of the Charter (ARC) is due to be submitted the SHR by 31 May 2023. The ARC has been completed and A Cameron, internal auditor is undertaking a validation review to provide additional assurance to the Committee in terms of data accuracy.</p> <p>S Macintyre discussed the Key Trends with the committee and highlighted the following:</p>	

	<ul style="list-style-type: none"> • Performance in meeting SHQS/EESSH has remained flat but is anticipated to improve from 39% to 65% of all stock. A Cameron has advised that this might improve further following his audit. • Number of homeless referrals has increased to 22 of which 8 resulted in permanent lets. An explanation has been included in the ARC as to why only 8 resulted in permanent lets. This is due to applicants no longer at the address on their application, the property being unsuitable or the applicant not wanting to live in Abronhill. 	
	<p>7.1ii Annual Return of the Charter (ARC) Presentation</p> <p>S Macintyre discussed the ARC presentation which was included in the committee papers. The slides show the performance for the year along with the performance for the previous 2 years. The following items were highlighted:</p> <ul style="list-style-type: none"> • The number of members is reducing. • % of members who attended the AGM is low. • % of staff sickness has increased from the previous year. • % Former Tenant Arrears Written Off is 41.92% which is significantly higher than previous years. The amount written off was £10.5k and included two high arrears cases. R Russell asked if comments would be included in the ARC submission. S Macintyre confirmed that he will include comments where there is a significant improvement or decline in the reported figures compared with last year. • The number of properties let has significantly increased due to the new build properties at Aspen Place. • % Tenancies Sustained > 1 Year has decreased to 79.2%. • Average time to complete emergency repairs has reduced to 1.79 hours. • Average time to complete non-emergency repairs has increased to 4.07 days. • % Reactive repairs completed right first time has slightly reduced to 93.47%. • % Applications for medical adaptations completed is 83.33%. The Association has 1 application pending as there was insufficient grant to complete this. • Average time to complete adaptations is 52 days. The number of quotes required can delay the work. • Tenant satisfaction remains strong. D Brown commented on the % of tenants satisfied with opportunities to participate and suggested that this is promoted in our next newsletter. • Stock Statistics – this included the 36 units in Aspen Place bringing the total number to 258. • SHQS & Gas Servicing – 100% of properties had a gas safety check and record completed by the anniversary date. 	

	<ul style="list-style-type: none"> The number of units failing SHQS is predicted to reduce during 2023/24. <p>R Russell commented that some of the figures require explanation. S Macintyre advised that explanations will be included in the ARC submission. The committee approved the ARC submission.</p>	
	<p>7.2 SHR Engagement Plan Report</p> <p>S Macintyre advised that he had recently had a positive meeting with the SHR regarding the Association's plans to bring its stock up to SHQS levels. S Macintyre sent a copy of the table included in the report to the SHR last week and they have confirmed that they are encouraged by the progress already made and are assured that the Association has the matter in hand.</p> <p>R Russell asked what was the update from NLC. S Macintyre advised that NLC do not have a plan to offer repayment options to the Association, and are unable to say when the energy efficiency home improvement scheme will commence. If the Asset Management Strategy consider the cost to be high risk the Association will consider alternatives.</p>	
	<p>7.3 Standing Orders & Delegated Authority Policy for Review</p> <p>The committee were asked to approve the policy which is due for review. This was approved with the following amendments:</p> <p>Item 5.1 Meetings will be held at times and places determined by the Management Committee. These will normally be held on the third Thursday of each month, in the evening.</p> <p>Addendum to Abronhill Housing Association Standing orders, 'Virtual' meetings – this item has to be included in the policy under item 5.1.</p>	
8.	<p>Strategy/Development</p> <p>8.1 Business Plan Objectives and Delivery Plan</p> <p>This item has been deferred to the June 2023 meeting.</p>	
9.	<p>Staffing</p> <p>9.1 Maintenance Admin Support</p> <p>The Association is seeking to employ a part-time Maintenance Assistant on a temporary basis for a period of 6 months at 17.5 hours per week. R Russell asked if we had approached EVH as his understanding was that most staff on their register are out on secondment. S Macintyre confirmed that it is not essential for</p>	

	<p>candidates to have maintenance experience as the role is for admin support. W Noon asked if the Association would consider making the role permanent. S Macintyre advised not while the strategic options appraisal is ongoing as it increases the overheads of the Association. D Brown suggested making the hours flexible over the week. This was approved by committee.</p>	
10.	<p>Finance & Audit</p> <p>10.1 30 Years Financial Plan Summary Presentation & 5 Year Financial Projections Report</p> <p>P Long presented the 30-year financial plan. A copy of the presentation was included in the committee papers. The 30 year plan takes a number of factors into consideration:</p> <ul style="list-style-type: none"> • The current operating environment for e.g. higher interest rates, decarbonisation, net zero, the options appraisal. <u>Main assumptions</u> • rent increase of CPI + 1% in years 2-5 and CPI only thereafter. • real cost increases for all maintenance costs for 30 years. • Staffing costs based on current structure. • Gross rent arrears increasing to 8% in year 4. R Russell asked what this figure is based on. P Long advised it is sensible to be prudent due to the cost of living crisis. <p>Based on the main assumptions the Association would be viable over the 30-year plan.</p> <p>As part of the 30-year plan an analysis is carried out on both positive and negative sensitivities. The positive sensitivities would result in a higher cash balance at the end of the 30-year period. The negative sensitivities would reduce the cash balance at the end of the 30-year period and the Association would have cashflow problems during many of the 30-year plan.</p> <p>After looking at both the positive and negative sensitivities the Association need to look at the main considerations for e.g.</p> <ul style="list-style-type: none"> • Rent levels and possible future restrictions. • Planned maintenance – costs and timings and owners. Communal works will need owners agreement. • Possible rethink of planned maintenance strategy. The Association may consider selling properties where they only own one in a block of flats or buying properties to give the Association a majority share. • Continued high interest rates, the interest rate increased again last week. 	

- The influence of the SHR.
- Options Appraisal.

[REDACTED] The standard model shows that the Association would be viable over the 30-year plan.

P Long confirmed that planned maintenance investment will be looked at in depth as part of the options appraisal. He added that in some cases major repairs costs can be absorbed into reactive maintenance costs where this would be feasible.

He added that as part of the Asset Management Strategy J Mulholland will identify which properties will cost more to bring up to current SHQS/EESSH standards and whether these would be viable or not.

It was noted that it still may be possible to do a joint approach with NLC for repairs to blocks of flats where they and the Association own the majority of properties.

D Brown asked how many houses and how many flats are owned by the Association? W Noon commented that it would be beneficial to know the numbers and how much it would cost to make the properties EESSH compliant.

S Macintyre advised that J Mulholland should have completed the Asset Management Strategy by the end of June. The Asset Management Strategy will look at all factors such as Value for Money, investment needs as well as housing demand for the properties. There is a limited draw on the reserves of the Association. Borrowing funds could help in the short term. The Association has a number of unencumbered units but this would need to be approved in advance .

10.2 5 Year Financial Projections Submission to SHR

P Long discussed the 5-year financial projections submission to SHR.

The Statement of Comprehensive income shows a steady increase in the turnover. The operating costs are fluctuating due to Planned Maintenance Works. Interest payable will increase quite sharply at first when the new loan was taken out to fund the new development at Aspen Place, but that these payments will decrease as the capital loan is repaid.

Statement of Financial Position shows the net housing assets decreasing over the 5-year period due to depreciation. Cash at

	<p>bank and in hand will fluctuate over the 5 years but will not fall below £500k.</p> <p><u>Statement of Cashflows</u> shows that the Association will continue to generate cash from its operating activities and will continue to invest in its properties. Net interest payments will increase initially before decreasing as loans are repaid. Cash balances will fluctuate over the period but the Association will have sufficient cash to meet all of its expenditure requirements over the five years.</p> <p><u>Additional Information</u> There is confirmation of the costs and funding of the new development at Aspen Place. The assumptions used in the report are included in the long-term forecasts.</p> <p>S Macintyre advised that the SHR usually publish a global report on the financial health of the sector in September.</p>	
	<p>10.3 Ratio Analysis Report</p> <p>P Long has provided a report on the ratios used in the five Year Financial Projections which is submitted to the SHR. The report explains how the ratios are calculated and gives an explanation of what they mean.</p>	
	<p>10.4 External Audit Plan</p> <p>S Macintyre discussed the audit plan with the committee. The audit timetable is on page 10. The auditor will attend the August committee meeting to present their Audit Report and a set of accounts for approval. The fee proposal includes an additional cost for the additional work required to comply with ISA 315. W Noon explained that ISA 315 is a new auditing standard. He explained that this offers the auditors a better understanding of the business they are auditing and are better placed to give more insight. S Macintyre confirmed that the Association had been asked to complete an IT system/security questionnaire. R Russell asked about the materiality on page 9. W Noon explained that if a financial error is discovered that is under £1k then this will be discussed and fixed; but errors over the planning materiality of £59,500 will be brought to the Management Committee's attention.</p>	
11.	<p>Operations</p> <p>No Report</p>	
12.	<p>Deferred Agenda Items</p> <p>R Russell asked when the defect liability period ends for Aspen Place. S Macintyre advised it is August 2023, but that the Association has commenced the annual gas servicing as these were installed in April 2022. R Russell asked that the Clerk of</p>	

	Works be involved at the end of the defect liability period. This was noted.	
13.	Any Other Competent Business	
14.	Date of Next Meeting: 22 June 2023 at 6pm	

Signed as a true record by the Chairperson

..... Date

Copies of committee reports are available on request.