

# BOARD MINUTES



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| <b>MINUTES OF</b>            | : | Board of Management Meeting   |
| <b>TIME &amp; DATE HELD</b>  | : | 20th August 2024  |
| <b>DATE APPROVED</b>         | : | 8th October 2024  |
| <b>BOARD MEMBERS PRESENT</b> | : | Hugh McIntosh (Chair), Elizabeth Battersby, Marian Hassan, Irene McGinnes, Eddie Robertson, Grace Barbour, Janice Saunders and Linda Sichi                            |
| <b>APOLOGIES</b>             | : | Brian Barclay, Gillian Johnston and Rae Connelly  |
| <b>STAFF PRESENT</b>         | : | Tony Teasdale (CEO)<br>Colette McKenna (Director of Property Services)<br>Craig Russell (Director of Customer & Community Services)<br>Ola Abojewe (Finance Manager). |
| <b>IN ATTENDANCE</b>         | : | Jennifer Spence (Azets Ltd - external auditor)<br>Tracey Kernahan (invited to observe the meeting).   |

## 1. Apologies

As noted above.

Tracey Kernahan was welcomed as an observer.

Jennifer Spence (from external auditor Azets Ltd) was also welcomed to the meeting and it was agreed that the agenda be re-ordered to take item 8.1 (Annual Accounts) early.

## 2. Declarations of Interest

There were none.

## 3. Group Accounts and Reappointment of Auditor 2023/24

Jennifer Spence from Azets (external auditors) was introduced to the Board. The external auditor, thereafter, presented the group accounts for financial year ending 31st March 2024.

The Board were asked to take note of different sections of the financial report. The auditor stated that the audit exercise was conducted satisfactorily, and in their opinion the financial statements give true and fair view of the financial situation of the Association for the year ending 31st March 2024. It was also stated that the financial reports were prepared in accordance with applicable statutory and regulatory standards.

Jennifer brought the following areas of the report to Board's attention:

- The Board was asked to confirm the content of the members, executive officers and advisers' page. It was highlighted that Marian Hussain is a co-optee, the external auditor confirmed that this would be amended.
- The group total comprehensive income for the year after pension adjustment was £1.568M. This was higher than the prior year due to combination of increased rental income from St Mark, increased medical adaptation and deferred grants. Others are, increased operating costs and interest receivable and payable, however gift aid from Upkeep decreased in comparison to prior year.

- There was £741K loss recorded for SHAPS pension whereas Strathclyde pension gained £158K.
- The group's net assets as highlighted was £13.28M and the increase over the prior year was largely due to new builds and other investment in housing properties in the year under review.
- A Member noted that the Statement appeared to indicate that there had been a significant drop in the number of employees in comparison to the prior year, and yet this hadn't been the case. This would be investigated and clarified to the Board.
- The external auditor explained the significance of the audit findings report, pointing out that there were no control issues identified during the audit exercise. Area of significant risks of the business were given special attention and the conclusion was that no concerns to bring to Board's attention.

The Board thereafter,

- **Noted and approved the audit findings report from Azets, including the recommendations in relation to internal controls.**
- **Noted and approved the Board's Letter of Representation to the Auditors.**
- **Noted and approved the 2023/24 audited financial statements.**
- **The Board also agreed to recommend to the AGM, the appointment of Azets as auditors for the 2023/24 financial year.**

Jennifer Spence left the meeting at this point.

#### 4. Minutes for Information:

The draft minutes of the following meeting were noted:

- 4.1 Special Meeting of Audit and Corporate Services Committee : 06.08.24
- 4.2 East End DC Board Meeting: 13.08.24
- 4.3 Upkeep Board Meeting: 13.08.24

#### 5. Minutes for Approval

The following were approved on a motion from Grace Barbour, seconded by Irene McGinnes.

- 5.1 Board meeting: 25.06.24 (confidential version)
- 5.2 Board meeting: 25.06.24 (non- confidential version)

#### 6. Matters Arising Schedule

Members noted the updates within the schedule, as follows:

- Brief information had been drafted about each Board Member for inclusion on the website, after the AGM, once authorisation had been received from everyone.
- A list of "partner" organisations (i.e those with whom we have regular dealings who are not commercial providers) was being finalised and would be saved in Resources on Decision Time under "About SHA/ our partners". The nature of the relationship in each case to be specified and the list to be annually updated.

- In-house training sessions on the use of Decision Time had been held on 31<sup>st</sup> July and 7th August, with five members attending to date.
- Since the last meeting Gillian Johnston had agreed to be the third Member to stand down at this year's AGM, along with Grace Barbour and Brian Barclay. All had indicated that they wish to stand for election again this year.

## **7. Compliance and Safety Update**

Members noted the content of the Compliance & Safety Update Report which confirmed:

- That there had been no new Notifiable Events (NE) submitted since the last meeting.
- That Returns submitted since the last meeting included:
  - The latest quarterly return to the Information Commissioners Office (ICO): four Freedom of Information (FOI) requests and one Environmental Information Regulation(EIR) request had been received in the quarter.
  - The Loan Portfolio Return to SHR.
  - The Management Accounts for the first quarter had been submitted to the lender in line with the covenant reporting requirements.
- That there had been no significant health & safety incidents since the last meeting to report.

## **8. Chief Executive Progress Report**

Members noted the content of the report updating on significant issues and developments since the last meeting not covered elsewhere on the agenda. In particular:

### **8.1 Staffing update:**

- As per the draft Minute at Item 4.1, the Audit and Corporate Committee had now considered staff consultation feedback and decided to proceed with the proposed CCS departmental restructure. The consultation with directly affected individuals was underway.
- Temporary housing officer Suzanne Park had left earlier in the summer and been replaced by Donna Marie Costello pending a permanent recruitment process once the new structure has been implemented.
- Energy Adviser Patrick Watson would be leaving the Association at the end of August and the recruitment process was underway.

**8.2 *Rent and service charge review:*** Work had so far focussed on a review of the cost, specification and current fees for these services. The first meeting of the Rent Policy Working Group was scheduled for 3<sup>rd</sup> September.

**8.3 *Investment:*** There had been several developments since the last meeting:

- The acquisition of a 3 bed flat at Old Shettleston Road and substantial progress towards the acquisition of a 3 bed house at Glen Road, Springboig. However, since the last meeting the City Council had confirmed that - due to Scottish Government affordable housing cuts - there will be no more funding for acquisitions available across the city for the foreseeable future.

- The City Council had also confirmed the Association’s allocation for Medical Adaptations for 2024/25, which is only around 60% of last year’s allocation. The CEO highlighted that this was likely to mean that the Grant would be insufficient to meet the needs of all cases coming forwards in the current year and would require decisions to be made in due course as to whether the Association should use its own resources – from rent money from tenants - to make up the shortfall.
  - The Association’s 2024/25 programme of investment in existing homes (£2.7M overall) was on track. Substantial progress had been made in particular with the boiler replacement programme and the pre-works, tenant survey work was underway in relation to the kitchen, bathroom and door entry contracts.
  - Following the DPS’s consultation with Warmworks, which provides advice on energy efficiency investment, the agency had provided a “Phased Decarbonisation Proposal” report outlining potential for energy efficiency improvements and grant funding (with a requirement however for substantial match-funding from SHA). The report was being assessed by the Executive Team and a recommendation would be brought back in due course.
- 8.4 Sustainability:** Following the Board decision in June the Association had now been confirmed as “Adopters” of the Sustainability Reporting Standard (SRS) and will be embarking on the process of self-assessment and action planning in due course.
- 8.5 The 2024 Shettleston Gala** had been held successfully on Saturday 10<sup>th</sup> August with around 550 people in attendance. It was a very positive event, and another really good collaborative effort with the Growing Project. The work on the day was undertaken by a host of volunteers and staff from both organisations. A member queried why the funds raised were being allocated to the Growing Project (unlike last year when other charities had benefitted) and the DCCS agreed to report back on this and the Association’s out-turn spend against the budgeted £5000 for the event. It was agreed that consideration be given to the possibility of organising another sizeable event at a more central or northerly location within our area, at some other point in the year.
- 8.6 Shettleston Community Centre:** THE CEO tabled a proposal from Community Links Scotland (CLS) (<https://www.comlinks.org.uk/>) to carry out a pre-Business Plan feasibility study. It was noted that the organisation has a substantial track record of providing wider role support services to CBHAs and had been involved in several similar projects involving community centres. A member commented on their positive experience of working with CLS at another HA. **The Board approved the appointment of CLS on this basis.**
- 8.7 Shaping Shettleston:** FUSE had obtained funding to create a “place plan” for Shettleston. The views of the whole community are being sought and the Association has been asked to play it’s part in looking to link in views from our tenants and service users.
- 8.8 Communications update:** The Summer newsletter had been issued in July. Shettleston had elected a new MP at the General election (John Grady) and we were seeking to meet with him. In any event a more general briefing session for local elected representatives was being planned.

## **9. Management Accounts to end of June 2024**

The FM gave the Board an overview of the management accounts for the period starting 1st April 2024 to 30th June 2024.

The FM asked the Board to note a surplus of £571K made in the first quarter of 2024/25 financial year, this in comparison to a budget of £355K for the same period gave rise to a favourable variance of £216K. It was also noted that net assets rose from £12.56M at the end of 2023/24 financial year to £13.13M at the end of June 2024. Above mentioned results were due to combination of the following reasons:

- There was an adverse variance recorded for total turnover due to a budgeting error; rent for thirty-two properties were overstated. The impact of this error is expected to reduce through overall tenancy turnover and rent income from privately acquired properties as the financial year progresses.
- Actual loss from void rent was lower than budget.
- Decreased medical adaptation grant income in comparison to budget, due to less adaptation works.
- Other grant received was higher than budget due backdated grants.
- Property and office insurance higher than budget due to industry-wide increase in cost of insurance.
- Couple of unplanned expenses resulted in legal and professional fess going over the budget.

The Board noted the increased debtors and creditors balances. The cash balance also increased by £174K in comparison to balance on March 31st, 2024. It was brought to the attention of the Board that no loan was drawn down within the period, which means the loan owed to RBS remained unchanged at £41.6M.

All lenders' covenants were met, and the management accounts have been forwarded to the bank as required.

**The Board thereafter approved the contents of the management report for period ending 30th June 2024.**

#### **10. Annual Procurement Report & Procurement Strategy Review**

The DPS presented the detailed report and responded to queries from members regarding:

- The application of the Fair Work First provisions.
- Community benefit provisions and the timing of receipt of payments.

The Board then:

- Approved the proposed revisions to the Procurement Strategy
  - Approved the draft Annual Procurement Report & authorised submission to Scottish Ministers
  - Noted that the approved revised Strategy & Procurement Report will be published on the Association's website
  - Noted the outcome of the CIPP review and that an action plan will be presented to the A&C Committee in November
  - Confirmed that members wish Scotland Excel to attend the A&C Committee in November.

After discussion the Board also confirmed that SHA should continue submitting an Annual Procurement Report to Scottish Government despite this not being a requirement. This on the basis that it was generally deemed to be good practice and was a helpful way to keep the Board updated.

The Board agreed that through the report and presentation on this item the Board had:

- Received refresher training in relation to procurement issues and
- For the purposes of the Assurance “evidence bank”, had received assurance regarding compliance with relevant regulatory/legal requirements.

## **11. Governance Update**

The Board noted the content of the report and:

**11.1 Approved the Board Development Plan for 2024/24** (subject to the addition of risk management to the list of training topics at point 5.)

**11.2** In accordance with the Governance Review:

- **Approved the proposed revised Board report template**, for use from next meeting.
- Noted initial information concerning the remit of the new Operations Committee which is due to meet on first time on 10.09.24.
- Noted that draft revised Standing Orders/Committee remits and delegated authorities will be presented for approval to the October Board meeting.
- Noted that further work was also being done on a more streamlined agenda format.
- **Agreed that length of Minutes should be reduced where possible going forward.**

**11.3** In respect of SHA Board recruitment:

- Noted that nominations for election at AGM had been received on behalf of: Marian Hassan, Irene McGinnes and Tracey Kernahan.
- Confirmed that the Board’s power to block nominations would not be exercised again this year.
- Noted that there will be no need for an election this year.
- Agreed that investigations continue into the feasibility of having a creche for Board meetings/AGM to reduce obstacles to attendance/ Board membership.

**11.4 Approved that Liz Pithie (East End tenant and EEHDC Board member) be appointed to the Upkeep Board.**

**11.5 Approved a provisional meeting schedule for the Rent Policy Working Group**, with the following expressing interest in taking part: Hugh, Elizabeth, Eddie, Janice, Irene and Marian).

**11.6** Noted the annual Rules Compliance checklist and **confirmed that it had received the necessary assurance regarding compliance with the Rules.**

## 12. Communications – our future approach

Members noted the content of the report which set out proposals for how the Association might improve its external communications. A range of issues were identified and discussed including:

- *Key target audiences:* It was agreed that the primary need is to focus on issues important to tenants and to show how the Association has delivered on service objectives. The need to make use of ongoing service-user feedback was highlighted.
- *Resources:* Members were reminded that the previous Communications Officer post had been removed in 2021 as part of the staff restructure at that time. In discussion a member suggested that this post should be re-created. The pros and cons of this – including the cost - were noted. Members then considered the recommendation in the report that the Association should instead procure part-time external consultancy support **and it was agreed to enter into a 6 month trial arrangement with consultant Craig Cowbrough for 2 days per month.** It was also agreed however that there was a need for a better focus and co-ordination of in-house resources/activity to supplement this.
- *Key means of communications:* The following were discussed.
  - **Newsletter:** There were suggestions that the content/focus of the newsletter could be significantly improved and it was agreed that this be given further consideration.
  - **Website:** It was agreed that this is need of an overhaul and particular issues were highlighted in respect of e.g. the way in which news items are currently displayed. Noted that work is already ongoing with this and currently targeted for completion before Christmas.
  - **Social media:** Noted that our number of Facebook and Twitter followers is low and agreed that there is a need to increase this and as part of doing so there is a need for a significantly expanded and more regular output. Consideration also to be given to other media e.g. Instagram. It was also noted that there is a need to ensure that social media sites are monitored and issues appropriately responded to.
  - **Phone texting:** noted that this is currently the most effective way of quickly reaching a high proportion of our tenants and service users and will continue to play a significant role for the foreseeable future.
  - **Marketing materials:** agreed that an updated stock of merchandise be procured.

## 13. Quarterly Performance Report

Members noted the content of the report including:

- a) An update on progress so far with the Business Plan Delivery Plan with items highlighted under each strategic objective as either complete/on target or significantly behind target. Overall, significant progress was noted to date.
- b) An update on progress in taking forward the Assurance Improvement Action Plan. It was noted that most action points had now been progressed.

**14. Membership Applications**

The Board noted that the following applications for share-holding membership of the Association has been approved during the summer recess by the Office Bearers under authority delegated to them by the June Board meeting:

- Miss Lisa Miller  
Culrain Street, GLASGOW  
(Miss Miller is a SHA tenant)

**15. Any Other Business**

There was none.

**Minute prepared by Tony Teasdale (CEO) and  
Ola Ajobiewe (Finance Manager).**

**SIGNED:**



**(Sub-Committee Chairperson)**

**DATE:**

8/10/2024