

**GOVANHILL HOUSING ASSOCIATION
MINUTES OF MANAGEMENT COMMITTEE MEETING
WEDNESDAY 22ND FEBRUARY 2023 6.30PM
HYBRID MEETING – ELIM CHURCH AND ONLINE**

PRESENT: Cheryl Miller (Acting Chair)
Elizabeth Klein (online)
Keith Kintrea
Ghazala Hakeem
Iain Doherty
Jennifer Cassell
Audrey Flannagan
Barbara Robertson (online)
Mujeeb Ur-Rehman

IN ATTENDANCE: John Quinn, Director
Alan McDonald, Head of Development & Property Services (HDPS)
Alison Kevan, Head of Corporate Services & HR (HCSHR)
Claire McGraw, Head of Tenancy Services (HTS)
David Robb, Head of Finance & IT (HFIT)
Nicki Bruce, minutes

1.Apologies

Apologies were received from John McLardie and Wilma Logan.

2.Declarations of Interest

Keith Kintrea, Barbara Robertson and Mujeeb Ur-Rehman declared an interest in agenda item 7 Request to Transfer Ownership of Forsyth House as members of the GCDT Board.

3. Minutes of the Management Committee meeting held on 14th December 2022

The minutes were proposed by Ghazala Hakeem and seconded by Keith Kintrea.

Matters Arising

GWSF Committee Representative – Keith Kintrea advised he would be happy to be the Committee representative if nobody else wished to do so. Management Committee approved Keith Kintrea becoming the GWSF Committee representative.

Front Office Update – the installation of the screen to Reception is in progress. The ventilation works are due to commence at the end of the month and should be complete by the end of March. It is hoped Reception will be open as normal by April/May.

Date of Next Meeting – it was noted the date of the next meeting was incorrect as it was listed as 1 March 2023 but advised this was correct at the time of writing as the date was changed following this meeting.

Minutes of the Management Committee meeting held on 26th January 2023

The minutes were proposed by Jennifer Cassells and seconded by Audrey Flannagan.

4. Assurance Action Plan Update

The Director advised this was the first review of the document since November 2022 when it was last presented to Management Committee and was being brought back to highlight particular actions with the following updates:

(The numbers correlate with those in the full action plan)

1. The Property Asset Strategy will be submitted to the Development Sub Committee in April.
7. The launch date of the customer portal has been revised to Spring/Summer but is dependent on working with the Capita system. The team are working towards getting more from the system.
12. The Rent Restructure will be implemented in April 2023.
- 38 & 39. Walkabouts of the area are now taking place to assist with improving the environment.

Charter Standard 4: Quality of Housing was queried in relation to meeting the Energy Efficiency Standard for Social Housing (EESH) by December 2020 and whether this had been met and how does the Association ensure it meets the standard.

The HDPS advised this figure increases and decreases and relates to SHQS. Valid 5 year checks are required but not all tenants allow access for the checks which does affect the figure.

Questions/Comments

It was queried if other Associations are the same with the date set for 2020 and the Director advised this date was set by the Scottish Housing Regulator (SHR). The HDPS advised it was impossible for the Association's stock to meet this date but work is ongoing to improve energy efficiency.

It was noted the page does not reflect this and the HDPS advised that an operational target will be included in the next version of the update.

The HDPS noted the Association has a temporary exclusion from this standard due to the stock type it owns but the Association is now performing better in an attempt to meet the standard nevertheless. This information will be included in the report to the SHR.

It was noted the target has never been met. The HDPS advised the Association will never meet the target and it was suggested the targets could be separated into those which have been achieved and those which have not. The HDPS advised this information is included in the annual ARC report to the SHR. The HDPS advised the target was set by the Government but the Association will never meet this target. It was further noted this information is presented to the Development & Property Services Sub Committee.

It was further advised this Assurance Action Plan is a checklist document and does not contain detailed information but the questions did raise a good point for future versions.

The HDPS advised energy improvement was processed as compliant but under electrical safety, 4 points have been amended under EESSH as not likely to improve and the strategy will be looked at to deal with this. The Development & Property Sub Committee have approved the appointment of consultants to look at the effectiveness of what the Association has done in this area and is currently doing to ensure it is effective.

The HDPS advised the next Assurance Action Plan Update will include what is and is not achievable.

It was queried if the Asset Strategy due to be approved at the Development & Property Services Sub Committee would also be presented to the Management Committee and the HDPS advised it would be.

Regulatory Standard 2 was queried and whether Capita was continuing to be problematic to work with. The Director advised there had been some concerns regarding the Capita system and an external resource has been brought in to assist with the work as Capita was costly to implement. A paper will be presented to the Audit & Risk Sub Committee regarding this in mid March.

The HTS advised an external consultant had been brought in to assist and bypass Capita. The HFIT noted it was cheaper and quicker to use a consultant. It was queried why this was not included in the document and advised this was not known when the document was put together but it is itemised on the Risk Register.

The HTS advised the customer portal launch date is planned for Spring/Summer but this is reliant on Capita as the consultant cannot be used for the final stage of testing. It has been a very long process and the HTS is meeting with Capita tomorrow and will request an update which she will circulate to Committee.

The Management Committee noted the contents of the Assurance Action Plan Update.

5. Rent Increase Report

The HTS advised following the rent consultation and having been presented to the F&GP Sub Committee on the 16 February 2023 that approval is being sought for a 6.75% rent increase.

As of today, there has been a 29% response to the rent consultation (22% listed in report at time of writing) and a number of consultation methods were used which has generated this good response. The preferred option from the responses was 6.75% with 84% of responses voting for this.

The HTS advised GWSF have circulated information regarding what figure other local housing associations are consulting upon with the lowest being 2.99% and the highest 7%.

The HTS also advised the Rent Restructure exercise is now complete and is seeking permission to increase Service Charges by 6.75%. The Service Charge increase would only apply to ground maintenance and stair cleaning.

The HTS also gave update on max increase and decreases in rents based on rent restructure.

Questions/Comments

It was noted the rent consultation response was outstanding and the best response to date. Thanks was given to the team involved and noted the comms used for the consultation had clearly been very successful.

It was queried if the 6.75% increase included in the budget proposals over 5 years could achieve a smaller surplus with a smaller increase. It would allow the capacity to deliver objectives but could have been lowered by 1% to 5.75%.

HFIT noted the point and advised the Association had to look beyond the 5 years as if the rent increase was lower than 6.75% the cash balance would drop off a cliff in year 6 which would have a compounding impact. The Association were looking to find a balance between affordability and conservativeness.

The HDPS noted cash would be invested back into the stock and energy improvements.

The HTS also advised that tenants affected by the rent restructure increase totalled 28% and the Rent Team have been tasked with contacting tenants to talk through the increase and provide support if required.

The HTS noted the Association has successfully secured funding which may be used for 'out of the box' ideas to provide assistance to tenants affected by the increase. The maximum rent increase will be £48.94 per month and the lowest will be £21.20 per month.

The HTS reported a number of tenants have been contacted by the team to collect information about their properties such as the size of their kitchen, if the kitchen is internal, how many bedrooms etc to ensure the Association is not just relying on system generated data. This will continue throughout the year to ensure the Association has a greater understanding of the stock.

The Management Committee approved the rent increase of 6.75% for the year commencing 1 April 2023.

The Management Committee approved the service charge increase of 6.75% for the year commencing 1 April 2023 for stair cleaning and grounds maintenance.

6. Budget Approval – 1 April 2023 to 31 March 2024

The HFIT advised the draft budget for 2023-24 has been discussed extensively with the Office bearers and twice with the F&GP Sub Committee and is now being presented to management Committee for final approval.

The HFIT noted that next year's budgets are open to not being correct but once the economic drivers quieten down the Association will have a better idea of where things stand.

Questions/Comments

The £5.8 million - £6 million surplus was queried and the HFIT advised Housing Associations are not like usual businesses and the SHR is only concerned when this becomes negative.

It was advised this money will be used for Kitchen and Boiler replacements which are every 15 years and Bathroom replacements which are every 30 years. The system is cyclical with money built up over previous years being used to fund these projects.

The HFIT advised he would be happy to go through the budgets with any Committee member if this was helpful.

It was suggested the inclusion of cyclical costs in the budget would be helpful.

The HDPS advised the Association were in the process of looking at cyclical costs as these have increased and are now 3 times more expensive than previously. Within the 30 year budget there are some large expenditure items on the horizon and thought need to be given to their maintenance.

It was queried if these costs should not be built into the budget and the HFIT advised they are reassigned as assets as they are not an expense.

The Director advised a session for Management Committee to discuss finance will be arranged for some time in the next 2 months.

The Management Committee approved the budgets and the 5 year extracts.

The Management Committee members who sit on the GCDT Board will not take part in the discussions and decision for item 7 regarding Forsyth House.

7. Request to Transfer Ownership of Forsyth House

The HDPS advised Forsyth House is a major concern for the GCDT following recent assessments of the building. The costings for the repairs to the building from the architect have been presented to the GCDT Board.

The repairs are required following a burst water pipe in the loft space of the building and the HDPS is still working with the loss adjuster who is suggesting repair costs in the region of £100k. A large amount of hidden asbestos has also been discovered in the building. The HDPS advised the building is currently secure and protected.

Following the GCDT meeting they are requesting the Association take on the liability as it has a healthier balance than the Trust. One suggestion for the building is to make the property DDA compliant and bring in 2 organisations as tenants but this would depend on costs.

[REDACTED]

It was queried how likely it was that funding could be found and the HDPS advised this was dependant on a number of factors.

It was queried what would happen to the Trust if the Association did not take on ownership of the building and it was advised this would put huge financial strain upon the Trust. The HDPS also noted if the building was demolished the Trust would not have the funds to cover the costs.

The HDPS advised a nominal amount will be agreed for the transfer once legal advice has been sought but this will likely be in the region of £200 to £2000.

The Management Committee agreed and approved the transfer of Forsyth House to the Association's ownership and will landbank the building until options/feasibility appraisal with funding options are completed later this year. A move to demolish the building in 2024/25 or 2025/26 will be made if no viable solution can be found.

8. Link Site

The HDPS advised the Association has a healthy cash flow at present along with a healthy demand for property. The site offers lots of disabled access and there is money in the bank at present to proceed with this development. The site would provide 60 new housing units for the Association.

It was queried how Link were able to provide the units at such a low price (£78,901.47) and the HDPS advised they had previously forecast £4 million when first approached and there would also be mid-market rent properties on site.

It was queried if these prices were fixed and the HDPS noted that prices are never fixed. If the Association makes changes, which is highly unlikely, there would be an increase. It was further noted there was a small get out clause that if material changes are made and it couldn't be managed in a way that suits the Association, this would be triggered. This is similar to the Inglefield Street contract and the lawyers are ensuring the deal is tight.

The total cost is £13.9 million and private financing of £4.7 million and it was queried where the balance of £9.2 million was coming from. The HFIT advised the Association has £11 million in the bank and there is a facility to drawdown funds by 31 March 2023 so the Association can either use cash it has or drawdown funds. It was noted £60k is the price of borrowing and not the price. The difference in costs would be covered by grant funding.

The HDPS advised Link have been working closely with Glasgow City Council (GCC) and worked hard to find a way to make the deal work. The Association will pay a third and GCC will pay 2 thirds.

It was queried if the site will remain in Link ownership until the handover date and the HDPS advised it would as a Pay As You Go agreement was proposed, therefore payment would be made towards the end of the development, although the lawyers will also be looking at this.

It was queried when the site construction will commence and advised ground works are currently underway and the completion date is set for November 2024.

It was queried if it was possible to get more of the larger units as currently there are only 4 larger units. The HDPS advised the agreement pre-dated the HDPS and there are a healthy number of 2 and 3 person units. It was also noted that Forsyth House could be an important site for the Association in terms of this. The HFIT also advised if any changes were requested this would have a significant impact on the costs.

The HDPS advised his predecessor and the Development Officer had worked on this for a number of years and this was the best deal possible.

It was queried that if there are not enough family sized home in the area it will become a transitory area and the HDPS advised the Association has a large number of 1 bed properties and this development provided the opportunity for more larger sized properties.

It was suggested the Association was encouraging a transitory area by creating the environment for it and the HDPS advised the Link site offers 28 x 1 bed, 28 x 2 bed and 4 x 3 bed and the Association must continue to try to maximise on this.

Another member noted they had also wondered about the number of smaller units and queried if older residents in larger properties could be contacted in case they are looking to move to a smaller property.

The HTS advised the team have been contacting tenants in larger properties who have less need for the space and also noted the rent restructure may assist with this. The team are talking to tenants and suggesting adult aged children could look to getting their own flat. It was queried if these tenants should be thinking in terms of living in social housing and considering other families who may need a larger home. The HTS noted this but advised it was a sensitive subject as it related to family homes.

It was also queried if the increase in utility bills may provide more of an incentive for people to move to smaller properties.

It was noted the Bedroom Tax had forced some tenants from their homes already and 'a home for life' was an ethos of social housing. It could be a positive but some people may not want or be ready to move on. Another member agreed with this as their friend had recently gone through this.

The Management Committee noted the contents of the report and approved the Association proceeding with the finalising of the Development Agreement to acquire 60 units for social rent from Link/CURB on a 'pay as you go' basis with Link drawing down the Association grant initially.

9. Tender Approval –




10. Redundancy Report - CONFIDENTIAL

The HCSHR advised the affected staff were in 2 groups.

The Group 1 redundancy consultation was paused on the 27 January as there was a possibility funding may come through for the 2 affected roles but the application was unsuccessful.

Group 2, with 3 affected staff, were funded through SW Govanhill and received a 1 year extension to funding last year which will end on the 31 March 2023.

The redundancy consultation process used for both groups is outlined under sections 4 and 5 of the report.



The Management Committee considered the information within the report and the verbal update provided at this meeting.

The Management Committee considered the information regarding the 2 posts within Group 1 and the 3 posts within Group 2 being considered for redundancy and approved the move to redundancy dismissal notices for those for whom no continuation or suitable alternative posts are available.

The Management Committee approved the commencement of a redundancy consultation process for those staff detailed in section 6 at the appropriate time to be determined by the HCSHR.(Group 3).

11. Information Report

The HCSHR advised Saqib Malik has taken over the role of Information Officer on a temporary basis and has provided this report.

There have been more Stage 1 complaints during the last quarter and less Stage 2 complaints.

There was 1 Stage 1 complaint completed out with the allotted time.

There have been no FOI requests this year and 1 EIR request in the last quarter bring the annual total to date to 6.

The Management Committee noted the information within the report.

12. Management Committee Expenses

The Director advised Management Committee are being asked to approve an increase to the Management Committee and Trust Board member overnight subsistence payment from £30 to £35 as a result of an increased inflation.

The Management Committee approved the overnight subsistence rate is increased from £30 to £35.

13. Minutes of Sub-Committees – For Information

GCDT meeting held on 23 November 2022

Tenancy Services meeting held on 24 November 2022

The minutes of the Sub Committees were noted.

14. Report Back from Other Organisations
Employers in Voluntary Housing (EVH)
Glasgow & West of Scotland Forum (GWSF)
SHARE

Information is regularly circulated to Management Committee.

15. Documents for Execution

None

16. Correspondence

None

17. A.O.C.B.

A Committee Member asked about the 50% of roofs which may require attention and queried if the Management Committee can be given the costs for this.

The HDPS advised the Asset Strategy was discussed at the Development Sub Committee in December 2022 and part of the update relates to the component replacement programme which has been built into the Strategy. Work is currently underway to gather this information and it will be presented to the Management Committee.

The HFIT advised the roofs are now checked annually and due to the regular checks, issues are being discovered earlier.

It was queried if the Association was experiencing more issues with top floor flats and the HDPS advised there has been a decrease in the instances of water penetration over the last 15 years. The Association is prioritising repairs and no roofs are scheduled to be renewed in the next 4-5 years.

The HDPS noted the main issue for roofs comes from the membrane below the tiles rather than the tiles themselves. The Association is focusing on maintaining these in order to focus expenditure.

CAF Bank Drawdown

The HFIT advised the Association will drawdown the remainder of the loan on the 31 March 2023.

Insurance Renewal

The HFIT advised he has spoken with the Office Bearers regarding the insurance renewals and noted 2022 was the worst ever in terms of floods and fires. Aviva, one of the main insurers, have withdrawn from the market which has further pushed up already inflated prices.

The Association is in the renewing insurance for the next 3 years and there have been dramatic increases in costs. One of the Association's main insurance claims is 'escape of water' and the excess for these is proposed to be increased from £100 to £1000 by the insurer for factored owners. HFIT rebuffed this suggestion and requested prices form excess of £100, £250 and £500 for factored owners. Ideally, the insurance company want the Association to agree to £2.5k increase to the excess fee and again, a range of excess fees has been requested. This information was received today.

As a result the HFIT advised the Association will likely be looking at a 30% increase to insurance costs.

It was queried if the HFIT was seeking approval for the increased costs and the HFIT advised the information was advisory. The HFIT noted if the Association were to re-tender the insurance, the Association' current insurer would likely be the only available option and would lead to an even higher increase under tender.

The HFIT advised he will update Management Committee of any changes as required.

Merrylee All Staff and Committee Day – 1 March 2023 @1pm

The Director reported the All Staff/Committee day is taking place next Wednesday afternoon in Cathcart Bowling Club from 1:00pm onwards. Jim Harvey will be attending and running to Business Planning sessions and there will be a presentation regarding an Introduction to Merrylee followed by a walkabout of the area. It is the 70th Anniversary of Merrylee this year.

50th Anniversary of Govanhill Housing Association – March 2024 to July 2025

The Director also noted next year will mark 50 years of the Association which was initially set up on Butterbiggins Road.

Govan Law Centre – Request for Compensation

The HTS advised a compensation claim has been received from the Law Centre on behalf of

[REDACTED]

[REDACTED]

18. Date of Next Meetings

12th April 2023 at 6.30pm

The meeting closed at 8.35pm