

Report To:	Management Committee Meeting
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Agenda Item 5.1:	Minutes of Pineview Housing Association Ltd Committee Meeting Held by remote access using MS Teams on 25 November 2021
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Prepared By:	Joyce Orr, Director
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Date Prepared:	26 November 2021
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Meeting Date:	27 January 2022
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Minutes - Rule 62 - SFHA Charitable Model Rules (Scotland) 2013
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62. Minutes of every general meeting, Committee Meeting and sub-committee meeting must be kept. Those minutes must be presented at the next appropriate meeting and if accepted as a true record, signed by the Chairperson of the meeting at which they are presented. All Minutes signed by the Chairperson of the meeting shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

Item Details

1. Sederunt

All papers issued in advance of meeting unless detailed in minute.
The meeting started at 6.05pm.

Present: Richard Bolton (RB) Linda Devlin (LD) Jamie Graham (JG) Daniel Martyn (DM) – joined 6.15pm Rosie Stephen (RS) David Syme (DS) – meeting Chair Anna Welsh (AW)	Apologies: John Brechany (JB) Myra Frater (MF) Josephine McGinty (JMc) Victoria Phelps (VP) Absent:	In Attendance: Karen Byrne (KB) – Housing Services Manager Robert McGinley (RM) - FMD Joyce Orr (JO) – Director & Secretary Guest Speaker/Presenter(s): None Observing: None
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2. Declaration of Interest

The Chair reminded everyone of the importance of keeping their Register of Interest entry up to date and declaring any interests and ensuring their ongoing committee eligibility status. The Chair reminded everyone of confidentiality and collective responsibility.

Declarations – None.

3. Decisions / Approvals Summary Report
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Chair advised the report would be used to guide meeting and ensure all required decision made.

Item Details	Action	By
4. No guest speaker		
5. Minutes of Previous Meeting(s) / Matters Arising 5.1 Minute of the Management Committee Meeting of 28 October 2021 noted, with no changes requested. 5.2 Previous Minutes Decisions Action Implementation Report and progress updates noted. <u>Decisions Made:</u> 5.1 - Minute of 28/10/2021 approved - proposed by LD, seconded by JG. Minute to be signed by Chair of Meeting approving - DS. 5.2 – Previous Minutes Decisions Action Implementation Report – approved request for time extension for consideration of alternatives to CAB, and for development of wider action strategy.	KB	17/02/22
6. Items Requiring Decision / Approval 6.1 Management Accounts to 30 September 2021 The Chair advised the meeting of the notes added to decision time. The Chair asked RM to present report recommendations. RM presented the report and highlighted variances, mostly due to timing and the impact of covid and/or Brexit. Committee considered the statement of comprehensive income, statement of financial position, cashflow, KPIs and loan covenants. RM advised no cause for concern other than arrears levels but these are being considered by Committee monthly. A member raised a query regarding the calculation of arrears in the management accounts, why they differed from the housing services reporting, and would it be less work for staff to use the one calculation. JO explained that the calculations have different regulatory calculations behind them (if we treat the calculation within the management accounts on the same basis as the annual accounts) and will always produce different, and non-comparable, outcomes. RM presented his proposal on changes to variance reporting. Committee discussed and requested that variances be reported if either of the variance factors were met rather than requiring both to be met before reporting. Discussed the allocation of cost for Allanpark work and if such work in future would be better allocated to professional fees rather than committee training. JO explained this was work that replaced the annual strategy day, which would normally have been allocated against training. Committee confirmed all matters noted and no additional queries to raise. <u>Decisions Made:</u> <ul style="list-style-type: none"> - Committee approved the management accounts. - Variance threshold for reporting to be changed for Quarter 3 to: <ul style="list-style-type: none"> - variance is equal or greater than 25%, or - variance is less than 25% but is equal to or greater than £3,000 - anything additional that FMD/Director require to highlight to CoM. - FMD to consider if cost allocations require amendment moving forward. 	- RM RM	- 17/02/21 -
6.2 Treasury Management Quarterly Report: The Chair advised the meeting of the notes added to decision time. The Chair asked JO to present report recommendations.		

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<p>JO explained the paperwork received from NWBS for loan amendment in relation to transition from LIBOR. JO explained that as this was an adjustment to loan documentation it required the authority of the Committee to approve. Committee noted that advice had been taken from FMD on this and there were no concerns.</p> <p>Committee confirmed all matters noted and no additional queries to raise.</p> <p><u>Decisions Made:</u></p> <p>Committee approved the variation to the NWBS loan documentation as presented and approved delegated authority to the Director/Company Secretary to sign the required paperwork on behalf of the Association.</p> <p>6.3 2022 Rent Review and Consultation Report:</p> <p>The Chair advised the meeting of the notes added to decision time. The Chair asked KB to present report recommendations.</p> <p>KB advised on the work that had been undertaken on affordability calculations. KB advised that everything had been calculated on the basis of rents rising by 4.2% (Oct CPI) as this was the maximum that could be considered, as part of the transfer promises, and therefore any lower increase would only improve affordability. KB explained the current position of PHA rents against the Scottish averages and local Drumcog rent averages KB advised on the importance of the affordability of rents for existing tenants and also for future tenants and demand. KB advised on the current proposals from other Drumcog members for 2022 increases, which ranged from 3.1% to 5.2%, and also those shared by the GWSF.</p> <p>Committee discussed the nature of increased costs the Association is facing and the nature of wage inflation, which may help those tenants working. Committee discussed the financial pressure that tenants would also be facing with increased costs. Committee discussed Universal Credit and how this was due to increase only by 3.1% in April 2022.</p> <p>The meeting discussed the capping of rents from the transfer process and the promise of the increase being capped at £10 in year one and then capped by an inflated figure from year two to allow catch up. This meant that tenants who had faced a larger change due to transferring onto the Pineview rent structure were having their increase phased in, but also meant the period of differential rents between tenants would be minimised.</p> <p>Discussed how the cap could work for 2022 (year two), with the cap being held at the maximum of the increase any other tenant would face.</p> <p>Committee determined that the rent increase options for consultation be considered following consideration of the draft budget at Item 6.4.</p> <p><u>Decisions Made:</u></p>	<p>JO</p>	<p>30/11/21</p>
<p>Rent capping – rents subject to cap in April 2021 to be subject to further cap in 2022, with cap being the maximum increase any other tenant could face at 4.2%. Consultation to be commenced December 2022.</p> <p>6.4 2022-23 Draft Budget Report:</p> <p>The Chair advised the meeting of the notes added to decision time. The Chair asked RM to present report recommendations.</p> <p>JO advised that the budget incorporated a rent increase at 4.2%, Oct CPI, as the Oct CPI was the figure used by Pineview since 2017. The meant that</p>	<p>KB/JO/IF</p>	<p>06/12/21</p>

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<p>the budget process was comparable to previous years but did not mean that 4.2% was what had to be agreed.</p> <p>RM took the meeting through the assumptions used in the budget, and their comparison with the current budget. Committee noted the increased cost in main area of expense, especially increased cost involved in undertaking reactive and cyclical maintenance works and undertaking planned replacement works. Such costs are increasing considerably due to consequences association with covid and Brexit including wage inflation, material and labour shortages and increased demand. These increased costs sat alongside other increases such as the cost of fuel. Committee discussed the cost assumptions made and determined prudent changes based on current position.</p> <p>Committee considered the income assumptions and considered this in conjunction with the detail provided and discussed at Item 6.3. Committee acknowledged that the maximum rent increase could be Oct CPI at 4.2% if the Association was to keep it transfer promise of rent increases of no more than CPI for years one to three (2021, 2022, 2023). Committee noted that costs were largely increasing by more than CPI, and especially so in maintenance/replacement work areas where some of the sector is regularly encountering tender costs at 40% - 60% more than budgeted. Committee discussed their preference for as low a rent increase as possible but acknowledged the impact this would have on spend and the compounding impact over the longer period. RM advised that on the 30 year projections choosing at 3.1% rent increase over at 4.2% increase would lose £1.52m for funds and therefore affect ability to spend. Committee discussed longer term projections and were of the view that the impact over 10 years could give a better indication due to the limitations of assumptions over a longer time period. Over the 10 year period the difference would be almost £400k and would see cash balance drop in year 2037/38 from £2.3m to £1.57m. Committee discussed the possibility of making some efficiencies over the period to try to minimise cumulative effect.</p> <p>Committee determined that the consultation with tenants required to give choice, both above and below inflation, but making clear to tenants what the impact of lower increases would mean over the medium to longer term, including the need to consider lengthening the life span of some replacement works in order to make things more affordable to tenants now. Committee confirmed all matters noted and no additional queries to raise.</p>		
<p><u>Decisions Made:</u></p>		
<p>Cost Assumptions – gross arrears assumption to be increased to 8% (this is for accounting assumption not housing services target).</p>	RM	20/01/22
<p>Income assumption – rent consultation to be undertaking using Sept CPI of 3.1% with option of plus or minus 0.5%, therefore consulting on 2.6%, 3.1% and 3.6%, and highlighting the impact of lower increases over the medium and longer term. Capping as at Item 6.3.</p>	KB/JO/IF	06/12/21
<p>Outcome of consultation to be considered at January CoM meeting, for decision to be made.</p>	KB	20/01/22
<p>RM to redraft budget for Jan 2022 CoM meeting to illustrate outcome of having a 2.6% increase, and the impact on any lending covenants.</p>	RM	20/01/22

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<p>6.5 Housing Services Report:</p> <p>The Chair advised the meeting of the notes added to decision time. The Chair asked KB to present report recommendations.</p> <p>KB advised decisions required in three areas – fan replacements, gutter cleaning, and ground maintenance contract.</p> <p>Fans – KB updated on manufacturing fan shortage and the proposal to restrict replacement to fix on fail. Discussion ensued on potential impact with fix on fail approach. KB advised only requesting as interim measure and confirmed any failed fans will be replaced. JO advised that fix on fail was something that committee would need to consider further in the future given the environmental agenda and the environmental impact of replacing components simply because they have reached a certain age, rather than them being replaced due then no longer being of an acceptable standard or amenity to satisfy customers.</p> <p>Gutter cleaning – KB updated that contact had now been made with contractor and work to agree extension being considered. KB requested authority to have back up position to negotiate works with other contractors on the reactive framework should this be required in order to conclude works before Christmas break.</p> <p>Ground maintenance contract – KB explained situation with Druncog ground maintenance contract and lack of service improvement. Committee discussed the risks that could arise by going out to tender but acknowledged that Druncog were of the view that this was now the only option. A member requested that the tender and contract include a community benefit clause. KB advised on staffing updates since time of writing report – Senior Maintenance Officer interviews had taken place and offer of position was being made, subject to satisfactory references, with a start date of 10 January 2022; one of the Housing Assistants had secured a promoted position at another housing association and would be leaving before Christmas break – the position had been reviewed, was considered still required and recruitment to replace would be commenced.</p> <p>The Chair requested an update on the position with arrears and work that is being undertaken. KB updated and advised progress had not been as great as it should have been given the resources that had been devoted to this area of work. KB updated on the actions being taken as highlighted at section 3 of the report and advised that performance management with team members for this area of work was now being increased.</p> <p>The Chair raised the success of the work undertaken for the 5th November events and keeping our communities as safe as possible. It was requested that the Committee’s recognition of the achievement and their thanks be passed onto the staff team.</p> <p>Committee confirmed all matters noted and no additional queries to raise.</p> <p>Decisions Made:</p> <p>Fans – approved fix on fail approach for 2021 fan replacements due, with further review of this during 2022 in light of environmental agenda.</p> <p>Gutter cleaning – approved back up position to allow negotiation with reactive framework contractor should this be required in order to conclude works before Christmas break.</p> <p>Ground maintenance – approved request to go out to joint tender with Druncog partners for 2022, with community benefit clause to be included. Tender to follow required timeline to have in place for 2022.</p>	<p>KB</p> <p>KB</p> <p>KB</p> <p>KB</p>	<p>-</p> <p>2022</p> <p>24/12/22</p> <p>20/01/22</p>

Item Details	Action	By
Advise staff team of Committee thanks and acknowledgement of success of 5 th November work.	KB	02/12/21
<p>6.6 Policy Reviews</p> <p>None.</p>		
<p>7. Items for Update</p>		
<p>7.1 Staffing, Health & Safety and Wellbeing Quarterly Report: Committee confirmed all matters noted and no queries to raise.</p> <p>7.2 Business Plan General Monthly Report: JO updated on positive outcomes from Internal Audit and advised Internal Auditor would attend Jan CoM meeting. Committee confirmed all matters noted and no queries to raise.</p>		
<p>8. Correspondence</p>		
Nothing additional to that issued.		
<p>9. A.O.C.B.</p>		
<p>The Chair advised that there were two items noted in Decision Time from Victoria Phelps, Chairperson.</p> <p>CiH awards – suggestion that Pineview consider a self-nomination for one of the CiH awards as awarded in Feb and November annually. The Chair advised that Pineview was well placed for a number of these awards and should consider this self-promotion.</p> <p><u>Decisions Made:</u></p> <p>Committee to consider the awards and suggest any they think appropriate for Pineview to be nominated for.</p> <p>Office Bearers – Victoria Phelps, Chairperson, has advised that due to personal circumstances she is stepping back from the role of Chairperson and office bearer as she does not want her circumstances to impact on the Association. Dan Martyn has agreed to take over the position of Chairperson from January 2022 and David Syme will continue as Vice Chair. It is beneficial for the Association to have three Committee office bearer positions and other members are requested to consider taking on the role of this third office bearer position. DS advised members that the role of vice chair does not involve a great deal of additional work and that himself, Dan, and Victoria would be more than happy to chat to any member interested. DS advised that committee would also consider the topic of succession at the collective assessment meeting with Linda Ewart on Thursday 9 December.</p> <p>Committee expressed their thanks to Victoria for all the work and commitment she has given to the role of Chairperson, and it was requested that their thanks be included in the minute of the meeting.</p>	CoM	Ongoing

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<u>Decisions Made:</u> Committee members to consider taking on the role of an office bearer and to contact David, Dan, Victoria, or Joyce if they would like to chat through.	CoM	27/01/22
10. Date of Next Meeting – Thursday 9th December 2021 6pm		
DS reminded everyone of the committee collective assessment meeting due Thursday 9 December 2021 and the importance, for our governance, of as many members as possible attending this.		
There being no other business, the meeting closed at 7.55pm.		

Minute Approved by: _____

Seconded by: _____

Signed by Chairperson: _____

Date: _____