

# Management Committee Meeting

Monday, 27th November 2023 6:30 pm  
Boiler House | Management Committee

## Attendees

<p><b>Present</b></p> <p>Andrea Finkel-Gates (AFG) - <i>Joint Vice Chair</i> Ann Dickson (AD) - <i>Chair</i> Callum Wynd (CW) John Jenkins (JJ) Kenny Hutton (KH) - <i>Joint Vice Chair</i> Lyndsay Moffat (LM) Priscilla Maramba** (PM)</p> <p><b>By Teams</b></p> <p>Abira Sarwar (AS) James Bryce (JB)</p>	<p><b>In attendance</b></p> <p>Mareta Greig (MG) - <i>Head of Tenant Services</i> Paul Fraser (PF) - <i>Senior Property Services Officer</i> Samantha Buggy (SB) - <i>Head of Corporate Services</i> Sharon Brady-Wardrope (SBW) - <i>Interim Director</i> Shona MacLeod (SM) - <i>Finance Officer</i></p> <p>Callum MacDougall (CM) - <b>Minutes</b></p>
<p><b>Apologies</b></p> <p>Alistair Hutton (AH) Fettes McDonald (FM) Gerry McGarvey (GM) Kirsty Morrison (KM)</p>	<p>*Comment made on Decision Time (DT) **Item 3 onwards</p>

## 1 Chair's Statement

Purpose - For Information

---

The Chair welcomed all the committee and staff to the meeting. The chair gave a special welcome to our new Head of Corporate Services, Samantha Buggy.

## 2 Apologies

Purpose - For Information

---

Alistair Hutton  
Fettes McDonald  
Gerry McGarvey  
Kirsty Morrison

[REDACTED – PERSONAL DATA]

[REDACTED – PERSONAL DATA]

## 3 Declaration of Interest

Purpose - For Information

---

None Declared.

PM entered the meeting at this point.

## **4.1 Draft Management Committee 27th October 2023**

Purpose - For Approval

---

A number of corrections to the minutes were noted on Decision Time (DT) and with the changes made from the notes by Committee members on DT, these minutes were approved as an accurate record of the meeting.

SBW also asked how the Committee would like the future minutes presented as members are now utilising the notes function on DT a lot more which is extremely helpful but when presented in the minutes does break up the flow quite a bit. SBW suggested that we weave the notes/ comments made on DT into the minutes which should help the minutes read and flow better moving forward. Any comments or questions from DT will be highlighted with \* within the body of the minutes.

The committee agreed to the proposed changes to the new format of the minutes.

**Decision: Approved**

## **5 Matters Arising & Referrals from Sub Committee**

Purpose - For Information

---

There were no referrals.

### **5.1 Amendment to Financial Regs – Referral from A&R Sub**

Purpose - For Approval

---

SM asked for the Committee's approval to amend the title of Corporate Services Assistant (CSA) to Corporate Services Officer (CSO) and the credit limit permission of £500 will be the same for the CSO.

Committee agreed to these amendments being made.

**Decision: Approved**

### **5.2 Referrals from Sub Committees**

Purpose - For Approval

---

There were no referrals.

## **6 Operations**

There was none.

---

### **7.1 Management Accounts for Quarter 2**

Purpose - For Approval

---

SM summarised this report and explained that this report was to present Quarter 2 Management Accounts to Committee and inform them of the financial performance of the Association for the period to the 30th of September 2023.

\*AS asked if we are planning to commence the cyclical work in Q3 and Q4 or carrying forward. Noting that the weather is not suitable for external paint work possibly. MG explained that the painter works contract also includes cleaning of UPVC windows and doors and gutter cleaning so this will be undertaken in Q3 & Q4. Where painting is required, this can still be undertaken up

to -2 degrees. The contract procurement will come to January's Management Committee meeting for committee consideration.

\*AFG highlighted that we mention an increase to frequency of office cleaning. What caused the increase. SM advised that this was in response to an increase in covid cases locally and to address the level of cleanliness in general in the office. Twice weekly cleaning was not sufficient.

\*JJ asked if we could ensure that the cyclical maintenance works be reflected in the budgeted spend projections for future years. SBW advised that we can look to spread this over the year differently to reflect the daylight hours demand that is different in Q1 & Q2.

\*AS asked in regard to short term creditors, rent prepayments, is this from current tenants or includes credit balance. SM explained that this includes all credit balances on current and former tenants accounts.

\*JJ asked about the wait on the Bank of Scotland account being opened. SM informed committee that it's been around 16-20 weeks for the Royal Bank of Scotland and for the Bank of Scotland but it has been over 24 weeks for the Nationwide Bank.

\*JJ asked why the asset cover has decreased with the Nationwide Building Society Covenants and can we have some detail regarding these discussions with the lender. SM advised that the JLL valuation in 2021/22 was only a summary valuation. Nationwide advised upon submitting the annual covenant compliance certificate that only a full valuation figure could be used therefore had to revert to 2019 valuation. Looking to schedule in full valuation in 2024/25.

\*AS highlighted on appendix 7.1 (1) - page 6, should the NI not be consistent with the salaries costs. SM explained that the salaries/wages include temporary staff not on the Association payroll, therefore there are no separate NI costs for these staff. AS asked if that should be included under agency services which SM noted that we could consider moving it for future budgets as agency services are currently specialist services for Finance, Data Protection and Development.

JJ suggested if we can put the £1 million into a 95-day account. SBW stated that this currently wouldn't be possible.

A number of other minor comments were made on DT in connection to this agenda item and responded to by staff which were noted by Committee.

Committee approved the Management Accounts subject to any recommendations.

**Decision: Approved**

## **7.2 Mid Year Budget Review 2023/24**

Purpose - For Approval

---

SM presented this report to the Committee which highlighted the changes to the 2023/24 budget. SM explained that the mid year review was part of the recommendations by the recent internal audit on our budget process and that it was good practice to collate any of the changes made over the previous 6 months.

[REDACTED – COMMERCIAL SENSITIVE INFORMATION]

The budget has been amended to remove the income from this year and will push it out into 2024/25.

Staff Costs have increased significantly as well as costs relating to the recent staffing restructure.

Bank charges are higher due to the Charities Aid Foundation (CAF) bank loan facility charges being carried into the financial year 2023/24.

SM also stated that the overheads have increased due to several factors, some of which include increased utility costs, increased mailing costs, additional IT security services required and additional staff training required also which all has a cost impact.

SM did however note that there are no issues regarding loan covenant compliance.

[REDACTED – CONFIDENTIAL INFORMATION]

\*JJ asked if there are any actions that we could or should take to get the budget back on track. SM stated that there isn't but as the expenditure is already committed. For example, salary costs, CAF Bank arrangement fees and rental loss. As part of the review the Senior Management Team scrutinised all budget headings and made savings where possible.

\*AS highlighted that it seems like the factoring income and expenses are the same. Can this be reviewed and also noted that there is no budget for wider action costs. Usually this is covered by grants but in comparison with last year but it looks as if nothing has been budgeted. SM explained that this is the factoring management fee and we should not be making a profit or loss on this. Income Maximisation Officer salary was previously deemed "Wider Action" however this is now considered a standard, necessary service for tenants and is recorded fully under staff costs.

\*AS highlighted that 'Other Fixed Assets' which is standard laptops and power docking stations are not normally available for resale. We should just write them off in the year of the purchase so we won't have to depreciate over 4-5 years because as you can see depreciation costs have gone £30k higher than last year. This is not a monetary expenditure but also effects surplus as well. SM stated that the standard practice here has been to capitalise IT equipment over 4 years however happy to discuss at the next Audit & Risk sub. Depreciation for 2022/23 was £30,686, so costs are increasing by £9k.

\*AS asked if the appreciation rent income should be the same as the rest of the year. SM confirmed that it was originally budgeted for additional properties in May 2023 hence the lower April rent.

\*AS suggested that the National Insurance looked like a typo as the April costs are only 903 compared to the rest of the year. SM noted that there was £5,000 employment allowance applied in April, hence the reduced cost.

JJ stated that the costs shown in this report that relate to the cost incurred from delays will most likely fit in the 30 year plan.

A number of minor comments/ corrections were made on DT and responded to by staff in connection to this agenda item which were noted by Committee.

Committee agreed that upon corrections being made, this report which highlighted the changes to the 2023/24 budget is approved.

**Decision: Approved**

## 7.3 Rent Review Consultation

Purpose - For Approval

MG outlined this report which presents the relevant information relating to our rent review for 2024/25 and to seek approval on the agreed rent increase for 2024/25.

\*JJ highlighted that there is no mention of affordability in the attached paper and asked what would the recommended increase of CPI plus 1% mean in terms of rent affordability? Also stating that last year, one bedroom rents were highlighted as pressure point for tenants. MG explained that we are still running the full affordability figures, however the broad figures show that it is the same groups at risk which were identified last year - single people in 2, 3 & 4 bedroom properties and any single pensioners in 3 bedroom properties. MG also noted that we provided the full affordability tool at the January 2023 meeting with the rent increase responses and that we plan to do the same at the January 2024 meeting. Additionally, MG advised that in terms of tenants receiving HB (Housing Benefit)/UC (Universal Credit) (excluding bedroom tax), we have 567 tenants receiving welfare benefits for housing costs which equates to 62.3% and 343 full payers which is 37.7% of the tenant base.

\*JJ mentioned that later on in agenda item 7.5 in regards to the 30 year projections paper it indicates that the CPI plus 1% indicates 5 years whereas in this report, point 2.3, it looks like we state that it's for 4 years. SBW explained that this is for 2024/25 as year 1 of the 5, which was stated last year, therefore meaning it's this year plus a further 4. SBW added that on the business plan, page 24, it should have been stated as 'Real rent rise of 1% for this coming year and for the next 4 years and CPI inflation only thereafter'.

\*JJ asked about comparability. How do our present rents for 2023/24 compare to those charged by other social landlords operating in the local area for similar housing to our own. MG mentioned that we can only give 2022/23 based on the SHR publication of the ARC including average rents. Based on this we are the lowest of our neighboring RSL partners (Rural Stirling & Ochil View) on every bedroom size other than 4 beds where Rural Stirling are £0.71p cheaper. MG explained that Stirling Council come in well below in each category, however their rent increase this year looks to be higher than our proposal. In terms of rent increase consultation proposals, Rural Stirling are consulting on 7.7% based on Sept CPI + 1%.

\*AFG mentioned that one LA (Local Authority) now has an option of 11%.

MG explained that we are committed to keeping our rent increases as low as possible but we need to balance this with business viability and the investment required to deliver on our legal and statutory duties.

\*JJ asked how this sits with the legislative requirement for us to consult with tenants. Is there any alternative options to be considered. MG explained that as there is no national guidance for landlords and tenants on affordability and how to consult on proposed rent increases, the main recommendation from the SHR when considering rent consultations are:

- Consider their tenant profile and the best ways to engage with tenants about proposed rent increases.
- Give tenants easy-to-understand information to help them express informed views.
- Give tenants genuine options for proposed rent increases and spell out what they mean for levels of investment in homes and the level of services offered.
- Discuss with tenants the level of service they want.
- Talk to current and prospective tenants about what level of rent is affordable for them.

- Be transparent about how they determine affordability.
- Show tenants how their views were taken into consideration in decisions and give them feedback on the consultation process.

MG explained that these options on the table help identify what is needed for us to deliver on our business plan and this will be made clear in the rent consultation publicity information, including weekly rent increase and service provisions as a result.

However, what could also be considered is the provision of a funding pot where full rent paying tenants can make an application to assist them with any proposed increase. This could include energy efficiency measures among other things.

SBW advised that what we agree on needs to be the baseline that will help to run the business.

AS asked if this is our only consultation and is this our final approach to the increase as we don't want a negative approach. SBW advised that we will have a full range of consultation before a final approach is made and that we are aware that the increase will not cover the losses from last year but we will have to maintain CPI plus 1% for the next 5 years to help with this initial loss.

SBW stated that we need to be clear on what we are going to do with this additional 22k (from the CPI plus 1.5%) and committee need to think what is the best way forward. If we do decide to go below CPI then we have to make several budget cuts again, which will not benefit our tenants.

CW asked if there is an option to have a formal consultation with tenants which would allow ourselves to obtain greater detail. SBW answered that we have been specifically told by tenants what they are looking for from us (bathroom, kitchen and window replacements) which has all been done through extensive survey work.

AS noted her concerns about the approach to tenants and that we need to be aware of what reactions we will expect from them. SBW advised that we can consult on several options which will help us refine our approach to tenants. If we have the affordability to go in lower, then that would become an option but it would be totally dependent on whether the business could afford it or not.

MG also highlighted that HAG funding had reduced and SHN (Scotland's Housing Network) had come out after their AGM to note that other overall cost will be increasing.

PM indicated that there is an expectation that we need to deliver on for our tenants, explaining that our tenants are expecting increases due to the current climate and that everything else around them has went up already. We need to be clear and show the reasons as to why we are making this increase and further explain what this increase will do for our tenants after the increase takes place.

JJ asked if we could gather community insight information around minimum wage in the local area as this would be valuable for us to use when connecting with our tenants. MG noted that we don't think this would be possible but can look into this further.

LM inquired if it was a possibility to use Myforth to gather the information we need which MG explained that Myforth wouldn't provide the results we need for this task.

SBW highlighted that the affordability aspect of our work is the key here and that this is something we really need to focus on. LM pointed out that it will be the tenants who are working that will need to be the focus with this rent increase and getting them support.

PM asked if after a couple of years do we re-evaluate our tenant's income circumstances and financial stability to see whether or not they might now need financial support. MG and SBW both confirmed that this is not something we currently do but can definitely look into this moving forward. Additionally, MG mentioned that our Annual Tenant Visits will help with this though due to the types of questions that will be asked when the visits take place.

KH stated that we have a strong defensible foundation for what we are asking with the rent increase and CPI plus 1% and feels that it wouldn't work for us going below the initial CPI. On top of this KH questioned whether having this additional pot would be problematic or not.

SBW asked the Committee if we are proposing to have only one option or several when approaching tenants with the rent increase. AFG advised that less options would be better and highlighted different options that other RSL's are using also that many organisations are going with one single option. AFG also pointed out that increasing above the CPI +1% is probably not the best idea just for the sake of creating a general funds pot.

Committee came to the collective decision that it would be best to only provide one rent increase option to tenants (CPI plus 1%) and this decision was approved by all Committee members.

**Decision: Approved**

## **7.4 Draft 2024/25 Budget**

Purpose - For Approval

---

SM outlined this report which presented the draft 2024/25 Annual Budget.

SM advised the 2024/25 budget differed from year 1 of the 30 year projections due to changes in the interest and depreciation calculations. Both would be aligned for the final versions of each.

\*AFG asked what these new posts are for, noted in appendix 7.4 (item 3.1). SBW clarified that these posts are a provision for additional operational staff to cover the increase in units. There is a business case still to be produced and approved by Management Committee and this is for budget purposes only.

\*JJ asked the question, are we looking to any areas of challenge where we are looking to reduce our business costs in the coming year. SBW explained that we are and one of the main areas will be joint procurement with the Strathfor Alliance where possible. Additionally, we are producing a procurement schedule to see where we can align our programs.

\*AS stated that we should look to include the costs of the pension deficit to have clearer picture. SBW advised that the advice given was to not include this at this time. However, we can explore this further at the next Audit and Risk Sub meeting for inclusion in the final budget for February 2024. SM added that we will take this back to FMD to discuss further.

\*AS noted that on appendix 7.4(1) page 2, is there no adaptation expenses and does this income highlighted relate to 10% administration income. SM explained that these are capitalised and are listed on page 8 of appendix 7.4 (1) and that the income does relate to the administration income.

\*JJ asked how there is such a massive increase from our management costs this year compared to last year's costs. SM advised that we have seen significant increases across a number of areas including insurance (25% increase 23/24), SDM software support costs (125%), increased stationery and postage costs, additional software for governance

improvement and increased office overhead costs for gas and electric (200%) which is the reason why there has been such a large increase this year compared to last year's.

LM queried whether or not the increase to the management costs included staffing. SM noted that most of the other overheads are what caused that massive increase as the staffing element remained still low but in the near future, we have a few tenders up for review which may help this cost but we will have a better idea come January.

SBW highlighted that we are still running lower than other RSL's even though we have increased costs.

JJ advised that we should keep track of this figure to make sure it doesn't keep increasing year upon year as that would not be ideal.

The committee noted the draft 2024/25 Annual Budget.

**Decision: Noted**

## **7.5 30yr Cash Flow Projections**

Purpose - For Approval

---

SBW outlined this agenda item which was in relation to the 30 year Cash Flow Projection.

SBW noted that a lot the information on this has been discussed already within the meeting but some of the main points are:

- We have amended the New Build Programme.
- The increase in staffing provision.
- We have some high insurance costs which could pose a risk.
- There is high inflation but it is moving down.
- EESH2 and Net Zero, we have done some modelling on this but still don't fully know what will happen with this as of right now.
- Make the correction to the business plan to advise the CPI change is for the coming year and the next 4 years.
- We need to consider adding in a Pension Deficit of 100K.

SBW stated that even with all those points which have been discussed there is no major concerns at the moment.

SBW did apologise and note that this item was only for information and not approval.

SM added that the comments/ notes that were made on DT will have to be referred back to FMD first before any definitive answers can be given.

The committee noted the information provided in relation to the 30 year Cash Flow Projections.

**Decision: Noted**

## **8.1 Draft Digital Strategy - Verbal Update**

Purpose - For Information

---

SBW stated that we have started a draft digital strategy with Stratiis our IT company. We will have 3 principal strands which will be woven into our succinct document. We will look to have in place an IT business portal which will hopefully come to the Committee in March.



The committee noted the information provided.

**Decision: Noted**

## **8.2 Revised Sustainability Policy - Request to extend existing**

Purpose - For Approval

---

SBW asked if we could extend this policy so that it will help us with EESH2 and will help keep us up to date.

SBW indicated that JJ comment on DT had been noted and will be given a response shortly.

***Post meeting note –SBW confirmed that additional item to be added to policy to take into account broader partnership working with University of Stirling etc.***

Committee noted and approved this extension of the Sustainability Policy.

**Decision: Approved & Noted**

## **8.3 Strategy Day 8th December - Agenda**

Purpose - For Information

---

SBW explained that this item was just to give a further reminder of our Strategy Day on the 8th of December and to encourage all Committee that attendance would be preferable.

Also providing an updated program for on the day.

Committee noted this update.

**Decision: Noted**

## **8.4 Policy Amendments – Removals**

Purpose - For Approval

---

MG outlined this report which was to seek approval from Committee to approve the additions to the Voids Policy 2023 and the Repairs & Maintenance Policy 2022.

\*JJ asked if the proposed relets standard is something that tenants and prospective tenants will have a view on and shouldn't we be seeking their views. Is this consultation not required by legislation also. MG advised that we can put this out next year sometime to the Tenant Scrutiny group to do something more in depth. A good example would be a walk round a void when it is returned, then following our scope of works this would give us a view to implementing any changes within budget. Which would also be cost effective.

SBW confirmed that this consultation will be given to the Tenants Scrutiny Group and by combining specific policies it should make reading and understanding the policies clearer for our tenants.

\*JJ suggested that in relation to minimum standards utilities, the smoke alarm needs updated to 'smoke, heat and carbon monoxide detectors'. MG noted this suggestion.

\*JJ noted that we also need to visually inspect the property for evidence of condensation and mould growth. MG said we will add this in.

\*JJ asked if we need to test sprinkler systems to make sure they are fully operational, where these have been fitted in the property to be re-let. MG explained that we only have sprinkler systems within the HMOs which are currently tested on a 6 monthly basis as part of a cyclical contract. However, we can add it in for new build developments for the future.

\*JJ asked if the front close door security systems were fitted in flatted properties and back close doors. MG advised that this is not part of our void process as this would not stop a property being let. This is a reactive function and repaired as reported by tenants or inspected by staff on estate management visits. However, with that said it is good practice to check everything is fully functional at void stage so we will add this in.

\*AS asked why these repairs are being carried out after the occupation and not prior. MG explained that this assists in reducing void timescales and the repairs outlined would be raised as tenanted repairs as they don't stop the incoming tenant moving in. If we can get these done, alongside other void repairs prior to occupation we will do so however we won't hold a void back for these types of repairs.

\*JJ asked why our decoration voucher may be given out is Dulux. MG explained that it is a Dulux paint pack as we use the Dulux paint centre at Kerse Road for this. We will however remove 'Dulux' to give us the opportunity to scope out other options in the future.

\*JJ asked why there is no amounts added into the table that refers to paint packs. MG stated that the amounts are included within a Finance Policy (Compensation & Goodwill Payments - Fin07) but we can certainly add it in here.

The Committee approved the additions to the Voids Policy 2023 and the Repairs & Maintenance Policy 2022.

**Decision: Approved**

## **9.1 Business Plan Mid- Year Update**

Purpose - For Information

---

SBW outlined this report which was to update the Committee on progress with our Business Delivery Plan.

SBW stated that appendix 9.1 - item (2.2) highlights the key items that were carried forward from our 2022/23 Delivery Plan. Some of which are:

- Online learning portal is still to be developed. The SHARE portal is being utilised on a trial basis still.
- The Net Zero plan is still to be developed but we are waiting on the outcome of the SG review.
- The collection of data for our Tenants insight is underway.

\*JJ asked about the progress with the Joint Tenant application form. MG advised that Stirling Council (SC) are really keen to move this forward but we are currently taking it a step at a time. Currently the data protection side of things is causing problems with SC and how difficult its showing to be when it comes to nominations.

SBW explained that it is something that is not currently being worked on but is still in the pipeline for the moment.

The Committee noted the progress with our Business Delivery Plan.

**Decision: Noted**

## 9.2 Notifiable Events

Purpose - For Information

---

SBW outlined this report which is to update the Committee on any notifiable events.

SBW noted that there have been no new notifiable events at this stage.

SBW explained that there had been one potential notifiable event which was in relation to a very sad, sudden death of a tenant in their home. We have now been informed that the circumstances around the death were inconclusive and meant that it was not notifiable.

[REDACTED – CONFIDENTIAL AND COMMERCIAL SENSITIVE INFORMATION]

MG added that now we can confirm that there is nobody waiting on a property for Penman Court. We also only have two families that are waiting for Billy Bremner Way but we/they are content with this for just now.

The Committee noted this report on notifiable events.

**Decision: Noted**

## 10 Membership

Purpose - For Information

---

No new membership application.

SBW noted that there will be a push from ourselves to try and recruit more tenant members come January.

## 11 Correspondence

Purpose - For Information

---

None.

## 12 AOCB

PM made Committee and attending staff aware that she might not be able to attend the Strategy Day now due to unforeseen personal circumstances.

SBW informed committee that we've had two quotes come back for the insurance brokers tender. SBW made the Committee aware that one broker was almost three times more expensive than the other. SBW was looking for approval from committee to provide herself with delegated authority to approve the tender when the final decision needed to be made.

The Committee approved delegated authority to SBW for this action.

**Decision: Approved**

# **13 Date of next meeting – Strategy Day Friday 8th December 2023 and Management Committee Meeting Monday 29th January 2024**

Purpose - For Information

---

The date for the next Management Committee meeting on Monday the 29th of January 2024 along with the Strategy Day on the 8th of December 2023 were approved. The Chair thanked everyone for their attendance this evening.