

West Whitlawburn Housing Co-operative
Management Committee Meeting of Monday 29th August 2022
Meeting held in Whitlawburn Community Resource Centre

In attendance:

Committee:

S Anderson (SA) – Vice Chairperson	A Duffin – Secretary (AD)	M Alcorn (MA)
B McNicol (BMcN)	R Alexis (RA)	P Welsh (PW)
K Stubbs-Gorman (KSG) Co-optee	E Kerr (EK)	D Murphy (DM)

WWHC Staff:

S Marshall – Director (Dir)
G Clayton – Deputy Director (DD)
R Hosie - Corporate Services Officer (CSO) – Minutes
K Semaan – Admin Assistant (KS)

Other:

Stuart Beattie – Auditor at Chiene and Tait (SB)

1. Apologies

A Anderson – Chairperson (AA)

Meeting is quorate. The Vice Chair chaired this meeting.

2. Confidentiality

The Vice Chair reminded all present about the importance of confidentiality.

3. Declaration of Interests

The Vice Chair and the Secretary declared an interest under agenda item 12.b. Both members will leave the room during discussions.

4. Equalities and Human Rights

No issues raised at this meeting.

5. Auditors Report and Financial Statements

SB provided a verbal summary of the outcomes of the Audit, referring to the Audit Summary Report produced by Chiene & Tait.

The Auditor provided a summary of the financial statements as follows:

	2022	2021
Turnover	£4.67m	£4.5m
Operating costs	£4.3m	£4m
Operating surplus	£289,000	£423,000

After interest receivable and payable, operating surplus	£196,000	£335,000
Pension adjustment	£600,000	(£942,000)

There are no control issues that the Auditor wishes to bring to Management Committee's attention and there is an unqualified opinion on the financial statements of the Co-operative.

SB highlighted the following in relation to audit risks detailed in the report:

The budget for 2022/23 and the 5-year forecast were reviewed. The auditor is satisfied that the assumptions are reasonable and that suitable variance analysis has been undertaken. The loan covenant calculations were also reviewed and whilst there does not appear to be a breach in the forthcoming year, WWHC should continually stress test increasing cost inflation. SB reported overall satisfaction that WWHC has sufficient reserves to continue to meet obligations and that there is an appropriate governance/risk management structure in place.

Doubtful debt provision was reviewed and considered to be consistent with the prior year. The provision has not been calculated in line with the policy but has been maintained above the policy level to be prudent in the current climate. Overall satisfaction that no further provision is required in relation to bad debts.

There are no indications of impairment within the housing stock from testing.

The review of bank covenants shows they continue to be complied with during the year.

Procedures and controls were reviewed and income has been allocated appropriately.

The current useful economic lives of components were reviewed and remain accurate. A sample of component additions and disposals were tested and found that these have been recorded accurately within the financial statements.

Fraud management systems were reviewed and there are sufficient controls and procedures in place to identify and mitigate the risk of material fraud. Testing did not identify any instances of fraud or management override during the year. No other material related party transactions were identified.

The financial statements comply with the appropriate legislation and best practice within the sector.

The pension liability valuation has decreased to £110k. SB stressed that this is an accounting adjustment and reflects the value of the pension fund at a particular moment in time.

SB added that WWHC should consider reporting on the organisations sustainability measures in future years.

The Pensions Trust have contacted all members of the SHAPs scheme regarding a potential increase to the pension liability. A decision is expected in 2024 at the earliest and may result in an increase in some member benefits increasing scheme liabilities. Sufficient disclosure has been made within the financial statements noting this potential increase in liability.

A brief statement has been included in the financial statements in relation to the reserves held by the Co-operative.

SB further recommended that the committee should agree a Capitalisation Policy in relation to other tangible assets (Office furniture etc.)

Management Committee approved the sign off of the letter of representation.

Management Committee have considered the Audit Summary Report and approved the sign off of the response.

The letters were passed to SB.

The Dir thanked SB for a smooth audit process. SB reciprocated this to WWHC staff and the Finance Officer in particular. SB left the meeting at 18.55.

6. Previous Minutes

a) Management Committee meeting of 25th July 2022

AD highlighted one spelling error under agenda item 23. Any Other Competent Business 'Ground Maintenance'.

b) Signing of Minutes

The previous minutes were proposed by MA and seconded by EK. The Vice Chair will pass the updated signed minutes to the Dir for filing.

7. Matters arising from Previous Minutes

None.

Actions arising from Previous Minutes Report

8. Sub Committee Minutes and Referrals

a) Performance, Assurance and Risk (PAR) Sub Committee of 22nd August 2022

The Dir advised that draft minutes of this meeting will be presented at the September 2022 meeting.

9. Correspondence

a) Information

None.

b) Decision

None.

10. Delegates Reports an Affiliated Organisation Information

a) Employers in Voluntary Housing (EVH)

MA explained there were no updates due to the Annual Conference being held on 8th and 9th September 2022.

b) Glasgow West of Scotland Forum of Housing Associations (GWSF)

AD advised GWSF AGM was held on 15th August 2022. A meeting was also held prior to GWSF AGM commencing. GWSF discussion topics included stock transfers. GWSF are going through a fee restructure process. AD reported that WWHC's fee will be roughly the same as previous.

Committee noted the update.

c) Scottish Federation of Housing Associations (SFHA)

None.

11. Governance and Assurance

a) Schedule of external submissions

The Dir confirmed that Quarter 1 management accounts were submitted to the Co-op Bank before 25th August 2022.

The Annual Risk Assessment for Pensions was submitted on 31st August 2022.

Re-declaration of Compliance is a 3 yearly submission which was completed in 2021/22 therefore no action required this year.

Committee noted the update.

b) Management Committee Training Plan

A training session is scheduled on the Regulatory Standards with Linda Ewart for Committee and some WWHC staff on 21st September 2022.

Annual Appraisals will commence after the AGM and induction training is to be scheduled for KSG – other committee members welcome to attend.

c) Governance, Recruitment and Succession Planning

Nominations to the Management Committee prior to the AGM are required by 2nd September. One member has expressed an interest in joining the Management Committee however was not able to attend this meeting. Member co-options are possible following the AGM. The Dir reminded committee members to encourage members to consider joining the Management Committee.

Committee noted the update.

12. AGM Planning

a) Member Notifications

The Dir confirmed that AGM notifications have been delivered to all members and include details of representation by proxy.

Those invited to attend the meeting include Police Scotland, WWHC's Auditor and the three Local Councillors. Police Scotland representatives will not be attending due to staff availability however, the Dir confirmed that a meeting could be scheduled with the Police should it be requested by members / tenants.

The website has been updated to announce the AGM and posters are to be displayed in public areas of properties.

b) Committee Members Rules 34.6

SA and AD left the room for this item, PW chaired this discussion.

The Dir explained that there are 2 Committee Members due to stand down for re-election at the 2022 AGM subject to Rule 34.6. The report provides evidence of AD and SA's contributions to the Committee.

Committee resolved that the above committee members are eligible to stand for re-election.
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AD and SA re-entered the room and the Vice Chair resumed chairing the meeting.

c) Secretary Statement on Rules

Committee noted the Secretary statement on compliance with rules 59 to 64 per the requirement of Rule 65.

13. Regulation

No report at this meeting.

14. Director Report and Targets

The Dir provided a verbal summary of the report within the papers highlighting that a draft assurance statement will be presented at the September 2022 meeting prior to October submission.

The Internal Audit is due to commence in September 2022 covering governance.

The Dir added that the Tenant Satisfaction Survey (TSS) is planned for this year

The DD announced that the new website is now live subject to testing and a launch is planned for the September Newsletter.

Committee noted the overall update report and progress to targets noted.

15. Property services

No Items.

16. Tenancy services

No items.

17. Corporate services

a) Management Accounts

Committee received the Management Accounts by email prior to the meeting.

Reported within the accounts is a deficit of around £50,000 however there are items still to be capitalised which will reduce this deficit substantially. There are no areas of concern and all covenants are adhered to. Management Accounts were submitted to the Co-op Bank on 24th August 2022.

b) Treasury Management Policy Review and Report

The Policy was reviewed as part of the normal cycle and developed by FMD Financial Services who provide specialist advice on borrowing, investments, business planning and long term financial projections to the Co-operative. WWHC then reviewed the policy to ensure it meets our requirements.

The Dir drew Committee's attention to the Treasury Management Report which was produced using the processes outlined in the policy. There are no compliance issues to report.

There are no proposed changes to the approved sources of finance at this time. Other than the CAF Bank loan noted, there is no additional borrowing requirement identified in the coming year.

The report includes unencumbered stock data which details stock not secured against a loan.

Co-operative Bank Fixed term Deposit

This account was set up to satisfy a condition of the loan with the Co-operative Bank. The Bank have confirmed that this condition is no longer relevant and the Bank will remove the Special Condition from the loan agreement subject to sign off of a side letter.

Once executed, WWHC will be free to manage the full deposit balance as it wishes. TC Young have confirmed there is no issue with the letter issued for signature.

Committee approved the sign off and submission of the Co-operative Bank letter.

The Dir summarised the recommendations made under the investment section of the report.

Committee approved the reviewed Treasury Management Policy for implementation and the investments proposed.

c) Pension Scheme Update

The pension scheme valuation results at 30 September 2021 show an improvement in the funding level to 98%, from 88% at the 2018 valuation. Deficit contributions will continue until 30 September 2022 and then stop with scheme expenses still to be paid. The position will be reassessed at the next valuation in 2024.

d) BT Proposal – Tabled

The CSO tabled a proposal received from BT.

WWHC's BT Cloud Voice services are out of contract. BT currently support the phone systems. It is proposed that BT migrate all existing services from the BT Cloud Voice platform to the BT Cloud Works platform. The move would transfer all services from a partial cloud and legacy system to an all cloud supported system.

The CSO highlighted the main differences between the platforms. Financial and organisational benefits were also summarised within the report.

Committee accepted the quotation in the report and approved the transfer of all services from the BT Cloud Voice platform to the BT Cloud Works platform.

18. East Whitlawburn

The DD advised that the completion dates for the East Whitlawburn (EW) properties have been delayed to commence at end October as detailed in the papers – and confirmed that allocations have started on the 1st block of properties. WWHC have received nominations from SLC.

Committee noted the revised information.

19. Policy Review

a) Notifiable Events Policy

The policy is reviewed as part of the normal review cycle with no changes proposed.

b) Entitlements, Payments & Benefits Policy Appendix B

Appendix B, the contractors/suppliers list, is reviewed and updated annually to. It sets out contractors/suppliers used by WWHC in 2022-2023 which staff

and committee should avoid using for personal purposes unless with approval in certain exceptional circumstances. The policy itself remains unchanged.

c) Computer Use Policy

Minor amendments have been made to this policy. The period of review has been increased to 5 years and the agreed statement on equality and diversity has been included.

d) Disposal of IT Equipment

The policy has been refreshed to include guidance on standards and certificates expected from third party waste disposal companies. Instructions for staff have been made clearer and the policy review period has been extended from 1 to 5 years.

e) Information Security Management System

This policy has been reviewed as part of the normal review cycle. Dates have been updated where relevant and there is further recommendation within the policy for WWHC to conduct a comprehensive review of information assets before the next policy review.

Committee approved the below updated policies for implementation:

- Notifiable Events Policy
- Entitlements, Payments & Benefits Policy Appendix B
- Computer Use Policy
- Disposal of IT Equipment
- Information Security Management System

20. AOCB

PW advised he is doing the March the Month campaign for Prostate Cancer UK.

EK requested clarification on broadband equipment available. The Dir / DD explained that discussions with fibre network suppliers are ongoing. There is some availability of equipment.

Hedge Cutting – SA raised concerns regarding overgrown hedges and bushes where Morven Road meets Western Road in case of accidents due to views of the road being blocked. The DD is to raise with SLC.

21. Date and Time of Next Meeting

Tuesday 27th September 2022 at 6.30pm.

Meeting closed at 7.39pm.