

YORKHILL HOUSING ASSOCIATION LTD.

Minutes of Management Committee hybrid meeting held on Thursday 12 December 2024 at 18:00 in The Association's Office and via Zoom

Present: W Docherty, M Ralph, M Green (in-person)

Y Alexis (Chair), C Armstrong, B Hanley, G Mattu (via Zoom)

Apologies: D de Croy, N McPherson, J Wilson

In Attendance: T Mallaghan (Chief Executive), G Kennedy (Deputy Chief Executive), G Watson (Finance Manager), S Burke (Welfare Rights Officer), C Davidson (Governance Assistant, mins)

S Archibald (Internal Audit Manager, Wylie and Bisset LLB), S Singer (on behalf of Community Links Scotland), M Holloway (on behalf of MAST Architects)

Abbreviations:

CE	Chief Executive
DCE	Deputy Chief Executive
FM	Finance Manager
PSM	Property Services Manager
WRO	Welfare Rights Officer
SMT	Senior Management Team
CPI	Consumer Price Index
UC	Universal Credit

		Action
1.	<p><u>Welcome and Apologies</u></p> <p>Attendees were welcomed and attendance was noted.</p> <p>The Chief Executive ('CE') also informed members that P Braat would be taking a temporary leave of absence from Committee duties.</p> <p>Meeting began at 18:00.</p>	
2.	<p><u>Declarations of Interest</u></p> <p>There were no declarations of interest to note.</p>	
3.	<p><u>Internal Audit Reports – Presented by Wylie and Bisset LLB</u></p> <p><i>Although this item was initially no.5 on the agenda, the Chair agreed for this presentation to be carried out at the top of the</i></p>	

meeting, and S Archibald ('SA') was invited to present on the findings from two recent internal audits.

Financial Controls Internal Audit – August 2024

SA advised that this internal audit had yielded an overall conclusion that the Association's financial controls are strong. This was found by conducting a high-level review of processes relating to purchasing, income, cash and banking, payroll and fixed assets.

Some of the key points noted included:

- The auditors were satisfied with the standard and content of financial reports to Committee;
- There is an adequate level of both management oversight and segregation of financial duties;
- The Association has an effective Financial Regulations and Procedures policy and makes effective use of systems such as HomeMaster and Sage Payroll;
- There was 1 recommendation which suggested that petty cash vouchers should also note the pay-out date on them;
- There was 1 observation that while the Financial Regulations and Procedures are robust, the Association has other policies on Risk and Treasury Management and sections within its Code of Conduct that deal with similar issues – it may be beneficial to reconcile these various policies with one another.

A member noted that this report was very encouraging, and received assurance from the CE that the suggested dates for implementing recommendations were realistic and achievable.

There were no further questions and the report was noted.

Internal Audit Follow-Up Report – October 2024

SA advised that the purpose of this audit was to verify whether recommendations from audits in the previous year had indeed been implemented. These audits had looked at the Association's Cyber Security, Risk Management, Procurement and the previous year's follow-up audit.

Some of the key points noted included:

- Across all of the audits, there were 14 recommendations made.
- 4 recommendations had been fully implemented.
- Some of the recommendations still to be implemented included the development of an IT disaster recovery plan, and in terms of risk the Association has still to develop both a risk appetite and a strategic/operational risk register.

	<ul style="list-style-type: none"> - As part of a procurement recommendation, all activity over the past year will be reported to Committee at the end of Q4. - Recommendations which are partially implemented included the adoption of IT penetration testing and a cloud-based data management system, undertaking of attic water tank inspections and a reconciliation between the Association's Procurement and Repairs and Maintenance Policies, which stated differing procurement threshold requirements. - 1 recommendation in terms of data leakage prevention caused by unmanaged USB drives has been superseded since there is no requirement for any staff to be using them. <p>The CE reiterated to members that the reports show relevant manager's comments as well as acceptance of the recommendations, highlighting that they will indeed be followed through with.</p> <p>There were no further questions or comments. The Chair then thanked SA for her attendance and concise explanations of the reports.</p> <p><i>S Archibald left the meeting at 18:15.</i></p>	PSM
4.	<p><u>Membership Applications and Cancellations</u></p> <p>The Deputy Chief Executive ('DCE') advised members that the agenda document has been revised, and going forward items will have a 'tick-box' to indicate whether there are documents to accompany them. In the case of membership updates, there was nothing to note in the last month and therefore no paper had been sent out. However, given that membership is a standing item at Management Committee meetings it was still required to be acknowledged. Members were satisfied with this.</p>	
5.	<p><u>Minutes of Last Meeting on 14 November 2024</u></p> <p><u>3.1 - Amendments</u></p> <p>No amendments were required.</p> <p><u>3.2 – Approval</u></p> <p>The minutes were unanimously approved for signing.</p> <p><u>3.3 – Matters Arising</u></p> <p>Item 3.3: Overnewton Centre – The CE informed members that the Finance Manager ('FM') will be the lead on the Centre initiative and will be looking for a small number of Committee members to form a</p>	FM

working group.

Item 4: Governance Review – The CE reiterated that as a way of allowing members to track developments, the CE agreed to keep them updated in future with changes made to the information presented to Committee, to give an idea of what information they would no longer be given under the new arrangements, and whether there was any new information which they would not have received in the past. CE

A member recalled that the previous meeting contained some discussion on whether sub-committees could be given authority to approve policies or policy changes. They noted that a policy approval not overseen by the full Committee may attract Regulatory attention, and this would have to be kept in mind during any revisions to the Schemes of Delegation. The CE agreed.

Item 6: Summary Report of Services Sub-Committee – The CE updated that the process of senior staff reviewing best practice on how to feed sub-committee activity into the Management Committee was still ongoing.

Item 7: Rent Increase Consultation – following on from the previous meeting, it was confirmed that the requested revisions to the rent consultation letter had been made, and approved by the Chair before being sent to residents.

6. Welfare Rights Presentation

Members welcomed S Burke, Welfare Rights Officer ('**WRO**'), to give a presentation providing an overview on their role and how the Welfare Rights service has benefitted tenants.

The WRO began by talking Committee through the different stages of the process when a tenant uses the service, and it was emphasised that the main aim is to ensure tenancy sustainment. A by-product of this is that the Association's arrears figures are generally low.

There was then an overview of some of the main agencies and types of benefits that feature in the Welfare Rights process, before some discussion on the types of assistance the service cannot offer, such as energy vouchers and specialised money advice. Tenants will however be signposted to other organisations where possible. This year so far the service has helped tenants claim [REDACTED] in benefits – members were very impressed with this.

The WRO advised that the service is very well-used, and since the Association only has it once per week, it is often booked out weeks in

advance. The WRO also has a very positive working relationship with the Association's Housing Management staff. The CE informed members that senior staff will keep the capacity of the service under review in case demand increases further.

SMT

Members thanked the WRO for his attendance.

S Burke left the meeting at 18:40

7. Overnewton Centre Update and Presentation

Members welcomed S Singer ('SS') and M Holloway ('MH'), from Community Links Scotland and MAST Architects respectively.

Members were reminded that this presentation had been arranged following a business plan and feasibility study being conducted, with a view to both improving the condition of the building and ensuring it is better used by the community.

SS spoke about how, despite being in the West End, the Yorkhill area has deprivation levels that are in some cases very high. This was reflected in the demand and needs analysis for the Centre, whereby survey respondents indicated a preference for initiatives such as food stalls, parent-toddler classes, addiction groups and welfare rights services.

MH then talked members through various proposed options for the Centre, which ranged from basic repairs up to comprehensive upgrades and alterations. Each option had more detailed alterations – and higher costs – than the last. A cost breakdown for each stage was provided. MH advised that an incremental approach to improving the Centre was advisable in case funding for all works could not be obtained, and as the various layers of improvements are worked through, previous work would not have to be undone. If the Association were to go through every stage of upgrades, MH advised that 6-7 months would be a likely timescale, however this did not include the various processes required to be able to begin works. The cost breakdown indicated that upgrading incrementally would be cheaper than opting for the maximum upgrade directly from the Centre's current condition. SS also advised that it could be challenging to time the funding bids correctly to transition seamlessly between upgrade phases.

One member was encouraged by the indicative costs, as they were lower than perhaps expected.

There was some brief discussion on whether it would be more viable to

completely rebuild the Centre from scratch, however MH advised that a complete new build would be held to higher, modern building standards, which could add to costs.

The Chair noted the many ideas worth considering, and suggested that this be taken forward to the new Centre working group. It was agreed that efforts would be made to get the working group started up and running within the first 3 months of 2025. Members keen to participate are encouraged to make contact with the FM.

FM

The Chair thanked SS and MH for attending this evening, who duly left the meeting at 19:20.

G Mattu dropped out of the meeting due to a connection issue.

8. **Draft Budget 2025-26**

The GW presented a draft version of the Association's budget for the next financial year, which will be finalised in March 2025. Some of the key **assumptions** (therefore subject to change) in the draft included:

- Employee costs increased by [REDACTED], subject to EVH consultation plus an additional [REDACTED] for increased Employer National Insurance contributions. For now, the proposal to retain the temporary Estate Caretakers and Clerical Assistant have not been assumed, although this topic is for discussion this evening at agenda item 9;
- A [REDACTED] increase on overheads and direct costs;
- A rent increase of [REDACTED], based on October CPI+1%
- The Association is expected to budget for a surplus of [REDACTED] at year ending March 2026.
- Stress testing has been applied to ensure that loan covenants will still be met.

A member highlighted that in previous years, insurance costs in particular had been far higher than expected. Therefore, they asked whether any assumed costs in the draft budget could end up being considerably different. The CE advised that, to his knowledge, the main cost which may be subject to considerable change is employee salaries, which depend on EVH and Unite negotiations. These negotiations are likely only in their early stages at the moment. However, if the increase was to be higher, Committee approval would of course be sought.

No further questions or comments. Report approved.

9. Rent Increase and Staffing Report

The Deputy Chief Executive ('DCE') reminded members that residents had been consulted on a rent increase of CPI+1% (3.3%), with an option to increase by a further 1% if there was an appetite to retain the Estate Caretakers and Clerical Assistant.

The DCE advised that feedback on the consultation as well as retaining these staff was largely very positive. Within the report, members could see a breakdown of retaining the staff permanently against savings to be made by having the Caretakers carrying out work previously done by contractors on higher rates. The deficit from this was [REDACTED], and therefore a further 0.2% increase on rent would cover this. Therefore, it was recommended that Committee approve a rent increase of 3.5% and retaining the 3 temporary staff posts until March 2027.

The style of reporting was extremely well received.

A member asked how an increase of 3.5% reconciled with the fact that the DWP uses the September CPI each year as its basis for Universal Credit ('UC') increases, which is only 1.7%. This is particularly topical due to the high number of tenants in the area on benefits. The DCE advised that the 1.7% increase is only for personal income. Therefore, given that many tenants are covered by the Housing Element of Universal Credit they would be unaffected as this is based on the Local Housing Allowance rate which is substantially higher than our rents. However, the DCE did acknowledge that the small percentage of tenants who are on partial UC would be affected.

A member asked if the funding could be extended to cover these roles for a longer period, or for other post holders. The DCE explained that retaining the staffing posts in question would fulfil the purpose of the employment scheme through which they were recruited. It is therefore hoped that satisfying this scheme may create opportunities in future to recruit other staff through it, whereas not retaining staff through this scheme but seeking further funding would be contrary to the ambition of the funding scheme and would likely be denied.

No further questions or comments. Both the rent increase of 3.5% and creation of 3 posts until March 2027 were approved.

10.

[REDACTED]

11. **Factoring Write-Offs**

Committee were asked to approve 2 Factoring write-offs which exceeded the threshold for CE authorisation, and which had very little chance of recovery.

No further questions or comments. Write-offs approved.

12. **Chief Executive's Report**

Report prepared by the CE to provide members with an update on the latest general situation both within a wider local and national housing context, as well as with the Association itself. He welcomed members to discuss or ask about any points within the report, but also wished to address the following points in the report:

Item 2.2: Overnewton Court GreenHeat Retrofit – Earlier that day, the CE had attended a factory with the Property Services Manager and Project Officer to look at one of the options in greater detail. They were encouraged by the visit and are optimistic that the solution explored could work well. The Property Services Manager plans to hold meetings with Overnewton Court residents in future to brief them on the option and how it will affect them.

PSM

Item 2.7: SFHA Update – SFHA have responded to a Law Commission consultation that could impact co-operatives and community-based societies. The key points addressed by SFHA in the consultation were that they are opposed to opening membership up to anyone at all, while they have also asked for clarity on the 'one member, one vote' issue which could be problematic for joint tenants/members.

AOCB

The CE asked any members who use hearing aids to make him aware of the type used, as it is hoped a hearing induction loop can be obtained to make meeting participation easier for those who use them.

A member asked whether Committee supported the idea of staff arranging a gala day at the Overnewton Centre in 2025. Another

member noted that in the past this has been organised by Yorkhill and Kelvingrove Community Council, so it would be best to consult with them first.

No further business was discussed.

The Chair thanked everyone for their attendance and input, and the meeting closed at 19:55.

Date and Time of Next Meeting: 13 February 2025 at 18:00.

Signed as a Correct Document

..... Chairperson