

MINUTES OF MEETING OF THE MANAGEMENT COMMITTEE HELD ON TUESDAY 18 JUNE 2019 AT 7.00 P.M. IN THE OFFICES OF CLYDEBANK H.A., 77-83 KILBOWIE ROAD, CLYDEBANK.

<u>ACTION</u>																																					
	<p>Present:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Mrs K. Tennant</td> <td style="width: 33%;">Chairperson</td> <td style="width: 33%;">Elected Member</td> </tr> <tr> <td>Miss C. McGarrity</td> <td>Vice Chairperson</td> <td>Elected Member</td> </tr> <tr> <td>Mr J. Hillhouse</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Mr J. Calderwood</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Miss P. Betty</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Mrs G. Daly</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Ms D. Smith</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Mr J. O'Donnell</td> <td></td> <td>Elected Member</td> </tr> <tr> <td>Cllr M. McNair</td> <td></td> <td>Co-opted Member</td> </tr> </table> <p>In Attendance:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Mrs S. Keenan</td> <td style="width: 33%;">Chief Executive</td> <td style="width: 33%;"></td> </tr> <tr> <td>Mrs L. Lees</td> <td>Head of Finance & Corporate Services</td> <td></td> </tr> <tr> <td>Mrs A. Devine</td> <td>Alexander Sloan & Co. Accountants</td> <td></td> </tr> </table>	Mrs K. Tennant	Chairperson	Elected Member	Miss C. McGarrity	Vice Chairperson	Elected Member	Mr J. Hillhouse		Elected Member	Mr J. Calderwood		Elected Member	Miss P. Betty		Elected Member	Mrs G. Daly		Elected Member	Ms D. Smith		Elected Member	Mr J. O'Donnell		Elected Member	Cllr M. McNair		Co-opted Member	Mrs S. Keenan	Chief Executive		Mrs L. Lees	Head of Finance & Corporate Services		Mrs A. Devine	Alexander Sloan & Co. Accountants	
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	<p>1. Apologies Apologies were received from Mr P. Shiach, Mrs. L. Breeze and Cllr. J. Mooney. It was noted that a quorum was present to enable the meeting to go ahead.</p>																																				
	<p>2. Chairperson's Remarks The Chairperson indicated that due to a recent bereavement, the Association required a temporary Secretary (1month) to be appointed in Mr Shiach's place. Mrs K. Tennant, seconded by Mr. Hillhouse proposed Mr O'Donnell and there being no further nominations, Mr O'Donnell accepted the temporary position. This was unanimously agreed by the Management Committee.</p> <p>The Chairman also read out the Chief Executive's response to a recent data integrity check request from the Scottish Housing Regulator following our ARC submission at the end of May. The 2 questions related to 3 gas failure safety checks within the anniversary date and a difference in the number of lettable voids in the year compared to number of lets. The Management Committee noted the reasons for the gas safety check failures and that procedures had been updated to ensure that the 3 different scenarios would not result in failures going forward. It was noted that the difference in voids and number of lets was due to 24 new build additions. The Chief Executive would update the Management Committee if further information/clarification is requested from the SHR.</p>																																				
	<p>3. Declaration of Interest There were no declarations of interest.</p>																																				
	<p>4. Business Carried Over from the Last Meeting There was no business carried over from the last meeting.</p>																																				

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	<p>5. Management Committee External Training/Conference Feedback (If applicable)</p> <p>It was noted that both the Chairperson and Chief Executive had attended the recent SFHA Conference and indicated that it had been a very useful conference which covered most of the priorities the Association will be focussing on in its current Business Plan. They attended sessions on governance, which would be helpful in the upcoming self-assessment and assurance statement return, poverty, Freedom of Information and new technology amongst others. The Chairperson added that the conference was very interesting looking at how the social housing sector may look in 2040 as well as looking at the various issues of health and poverty which are affecting the population just now and how this will affect the overall picture in 20 years time.</p> <p>The Chairperson indicated that a link to the various plenary and workshop sessions would be emailed to Management Committee members and uploaded onto the Association's Intranet for review/in case of interest.</p>
	<p>6. Secretary's Report</p> <p>The Secretary provided the following report:</p> <p>a) Correspondence</p> <p>The following correspondence was read out by the temporary Secretary: -</p> <ul style="list-style-type: none">• A letter from Management Committee member Miss P. Betty to the Secretary informing him of her intention to resign from the Management Committee after the AGM due to personal circumstances. Miss Betty was thanked by the Management Committee for her contribution over the past 7/8 years and wished her well. Miss Betty thanked the Management Committee.• Notice from Glasgow and West of Scotland Forum of their upcoming AGM on 15 August and indicating that there were Committee member vacancies on their Board and nominations were to be received by 7th August. This was noted by the Management Committee.• An email received from Cllr. Mooney requesting special leave of absence for a period of 3 months due to ill health. This was unanimously agreed by the Management Committee• Notification of EVH's Celebrating our Communities Conference to take place between 22 and 24 November 2019. Management Committee members interested in attending should contact the Chief Executive or Head of Finance and Corporate Services. <p>b) Scottish Housing Association Pension Scheme (SHAPS)* (For info)</p> <p>The Head of Corporate Services referred to the letter from SHAPS which had been circulated prior to the meeting regarding the 3-yearly valuation carried out in September 2018 and the fundamental change in the methodology used in the valuation and subsequent impact on the deficit</p>

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	<p>reduction and deficit contributions. Additionally, the reasoning as to why the valuation process had taken so long was contained therein. The up to date position was noted by the Management Committee including the ongoing negotiations on the assumptions used in the valuation and once agreed, the impact on individual employers would be clearer. It was noted that the Employer Associations would be kept up to date in the coming months as to discussions between SHAPS and the Pension Trust.</p> <p>c) AGM reminder and update The Chairperson reminded the Management Committee of the date of the AGM as Thursday 27th June.</p> <p>7. Approval of Minutes*</p> <p>a) Management Committee – 29 May 2019 (For approval) There were no errors or omissions noted and the Minute was proposed by Mr Hillhouse, seconded by Mrs Daly and unanimously approved by the Management Committee.</p> <p>b) Actions from MC meeting – 29 May 2019 (For info) The report detailing progress on actions from the last meeting was noted by the Management Committee.</p> <p>8. Business Arising From Minutes There was no business arising from the minutes.</p> <p>9. Ratification of All Minutes (For Approval) Ratification of all Minutes was proposed by Mr Hillhouse, seconded by Mr Calderwood and unanimously approved by the Management Committee.</p> <p>10. Clydebank HA Annual Accounts to 31 March 2019* (Mrs A. Devine, Alexander Sloan in attendance (Approval required)) The Management Committee referred to the report which had been circulated prior to the meeting and welcomed Mrs Devine, who went through the main aspects of the Annual Accounts to 31 March 2019. It was noted that whilst the accounts were very detailed and required for statutory purposes, Mrs Devine would focus on the key points from the Primary Statements namely the Statement of Comprehensive Income (formerly Income and Expenditure account) and the Statement of Financial Position (formerly Balance Sheet).</p> <p>The following was noted in relation to the Statement of Comprehensive Income on page 13:</p> <ul style="list-style-type: none">• Revenue of c. £5.1m has increased from the 2018 amount of c. £4.7m primarily due to the 3.5% rent increase, new units being added to the stock and significant wider role funding received.

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- Operating costs of c. £3.8m have increased from the previous year due to the higher spend in planned cyclical and major repairs expenditure.
- Operating surplus recorded as c. £1.3m which is a strong positive figure.
- Accounts then adjusted for other items such as interest receivable and pension interest charges to record an overall surplus of c. £1.3m which is put into into the Association's reserves.
- In this year's accounts, there has been a change in the accounting treatment of the SHAPS Defined Benefit multi-employer pension scheme meaning that the individual assets and liabilities for CHA are now recognised. An increase of c. £252k in the liabilities was noted alongside the actuarial losses of c. £188k and these adjustments will be specific to CHA's pension position going forward. This change in accounting treatment does not affect the cash amounts being paid towards past service deficit costs and it was noted that all RSLs in the scheme would likely be reporting a similar position.

At this point in the meeting, Mrs Daly asked whether CHA could withdraw from the SHAPS pension scheme. Mrs Devine replied that the CHA liability on withdrawing from the scheme would be higher than the estimated c. £866k and the Chief Executive confirmed that a withdrawal from the multi-employer scheme would trigger a cessation event and a higher debt would crystallise. The Head of Finance and Corporate Services confirmed that the Committee had mitigated pension risk back in 2014 when they consulted with staff and the Defined Benefit scheme was closed for future accrual to all members and a new Defined Contribution scheme was set up.

The following was noted in relation to the Statement of Finance Position on page 14:

- This Statement shows a snapshot of the Association's affairs as at the 31 March 2019 and shows the financial strength of the Association through the healthy Balance Sheet.
- An indicator for good governance is the strong Net Current Asset position of c. £6.5m which demonstrates sufficient working capital and the ability for the Association to comfortably pay liabilities as they fall due.
- A new amount of c. £866k is shown for the revised net pension liability as at 31 March 2019.
- Deferred Income recorded of c. £15.2m which is HAG income received which is released every year to the Statement of Comprehensive Income to reduce the liability.
- Net Assets of c. £19.2m, grown from c. £18.4m in 2018 which Mrs Devine noted as being due to the £886k surplus from the Statement of Comprehensive Income being added.

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	<p>Mrs Devine confirmed the financial position is very strong with the position of overall net assets being backed up with c. £7.4m in the bank.</p> <p>Mrs Devine referred the Management Committee to the Auditors Report on pages 10-12. Mrs Devine indicated that the auditors were satisfied that the statements give a true and fair view of the Association's affairs as at 31 March 2019 and have been properly prepared in accordance with relevant legislation and accounting practice.</p> <p>Mrs Devine highlighted that there are certain concerns they would be required to highlight to the Management Committee but there were none.</p> <p>Mrs Devine asked if there were any questions. There were none.</p> <p>The Annual Statements were then unanimously approved by the Management Committee and the office bearers were instructed to sign them after the meeting alongside the Letter of Representation, which had been read through and reviewed in full.</p> <p>11. Audit Findings Report – Clydebank HA Ltd* (Approval Required) The Management Committee referred to the report which had been circulated prior to the meeting. Mrs Devine confirmed that there had been no threat to auditor independence and that the key audit risks, which had been outlined in the planning letters, had been covered during the audit fieldwork.</p> <p>Mrs Devine confirmed that they had no disclosures to report to the Committee and that there were no unadjusted transactions in the Financial Statements that were identified during the course of the audit. A high level overview of the Income and Expenditure account was discussed alongside a graph showing the Rent arrears trend analysis.</p> <p>Mrs Daly asked Mrs Devine if she was happy with the accounts and if there was anything else to disclose to the Committee. Mrs Devine replied that there were no recommendations in regards to the internal controls and that credit should be given to the Head of Finance and Corporate Services and the finance team for their preparation of the accounts and audit files and for their co-operation and assistance during the audit process.</p> <p>12. CHA Power Accounts to 31 March 2019* (Approval Required) The Management Committee/Board of CHA Power Ltd referred to the report which had been circulated prior to the meeting and Mrs Devine went through the main aspects of the Annual Accounts to 31 March 2019 as follows:</p> <ul style="list-style-type: none">• The Turnover figure is down from c. £279k to c. £233k due to the decrease in electricity income caused with the generator faults.• Cost of sales had reduced to c. £193k due to gas costs savings being realised and reduced servicing costs.

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	<ul style="list-style-type: none">• Operating profit for the financial year was c. £7k.• Corporation tax of c. £1.6k is payable, which is higher than last year due to losses being carried forward in 2018 which reduced the liability.• Net Assets on the Balance Sheet on Page 7 noted as a very healthy c. £366k supported by cash in the bank of c. £395k.• Detailed Profit and Loss Account is attached to the back of the accounts which is for information only and is not sent to Companies House. <p>Mrs Devine referred the Management Committee/Board of CHA Power Ltd to the Independent Auditor's Report on pages 3-4. Mrs Devine indicated that the auditors were satisfied that the statements give a true and fair view of the financial position of CHA Power Ltd as at 31 March 2019, have been properly prepared in accordance with relevant legislation and accounting practice and there are no issues or concerns to report to the Management Committee.</p> <p>Mrs Devine invited questions. There were none. The Annual Statements were then unanimously approved by the Management Committee/Board of CHA Power Ltd and Mr Hillhouse, as a director of CHA Power Ltd, was asked to sign the Accounts and Letter of Representation after the meeting.</p> <p>13. Audit Findings Report – CHA Power* (Approval Required) The Management Committee/Board of CHA Power Ltd referred to the report which had been circulated prior to the meeting and noted that there were no areas of concern raised by the Auditors. The Management Committee/Board of CHA Power Ltd noted the contents therein and that no recommendations for improvement were required to be made.</p> <p>Mrs Devine asked if there were any questions. There were none. The Management Committee/Board of CHA Power Ltd unanimously approved the 31 March 2019 Audit Findings Report for CHA Power Ltd.</p> <p>Mrs Devine was then thanked for her attendance and presentation of both sets of accounts and then left the meeting.</p> <p>The Head of Finance and Corporate Services left the meeting at this point.</p> <p>14. Policy Review – Principal Officer Remuneration* (Approval Required) The Chief Executive referred to the draft Policy which had been circulated prior to the meeting. The Management Committee noted that this was required to be reviewed as the 3-year cycle of review had been reached. It was noted that the Policy is devised from EVH's Model Policy and that proposed minor changes were tracked within the document.</p>

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	<p>After discussion, the Management Committee approved the Policy together with proposed minor changes in relation to Sub-Committee name change and period of review.</p> <p>15. Focus on Governance/Risk</p> <p>a) Management Committee Appraisals (Update)</p> <p>The Chairperson indicated that most of the interviews had now taken place with only a couple outstanding but that meeting dates would be arranged in the coming week. A summary report would be submitted to the Management Committee in due course.</p> <p>b) SHR Regulatory Standards Training Session (Update)</p> <p>The Management Committee noted that a training session on the above would be provided by the Chief Executive and Chairperson and accommodated in the new timetable for August as well as the self-assessment against the updated Regulatory Standards which would allow the Association's first Annual Assurance Statement to be completed and returned to the Scottish Housing Regulator in October.</p> <p>c) SHR Regulatory Manager Meeting 05 June 2019 (Update)</p> <p>The Chief Executive intimated that she and the Head of Housing Services and Head of Finance and Corporate Services had met with Janet Dickie, the Association's new Regulatory Manager on 05 June as arranged.</p> <p>It was noted that the meeting was arranged so that introductions could be made, for Mrs Dickie to hear about Clydebank HA's work, to go over key priorities for the Association as well as discussing areas of key risk and recent headline ARC performance. She added that this had been a good/useful meeting and that it was indicated at the meeting that that SHR data integrity checks would likely include further information in relation to gas safety check failures as described by Chairperson in her opening remarks.</p> <p>16. Governing Body Annual Review (For discussion)</p> <p>The Chairperson referred the Management Committee to the Governing Board 2018/19 Review questions and reminded the Committee that this is required to be carried out to comply with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, in particular Standard 6. She added that this is carried out in addition to the individual committee appraisal system and requires the Management Committee to discuss its overall effectiveness and performance collectively.</p> <p>The Chairperson went through each individual question and responses from members were recorded.</p>

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ACTION

17. Intranet (For Info)

The Chief Executive reminded the Management Committee to regularly visit the internal Intranet, which includes access to news, Policies and Procedures, Business Plans, residentsqgroup activity and Committee meeting papers.

18. Signing of Minutes

The minutes approved would be distributed to members at the next Management Committee meeting on 25 June.

19. Date and Time of Next Meeting/Training Session

As per the annual schedule.

Meeting closed.

Checked by: _____

Date: _____

APPROVED õ .

PROPOSED õ .

SECONDED õ .

SK/LL

* Indicates report issued with agenda