

MINUTES OF MEETING OF THE MANAGEMENT COMMITTEE HELD ON TUESDAY 25 JUNE 2024 AT 6.00 P.M. IN PERSON AT 77-83 KILBOWIE ROAD, CLYDEBANK G81 1BL AND VIA A VIDEO CONFERENCING LINK

ACTION

Present:

| | | | |
|-----------------|------------------|-----------|-----------------|
| Mrs C. Boyle | Chairperson | In person | Elected Member |
| Ms D. Smith | Vice Chairperson | In person | Elected Member |
| Mr J. Hillhouse | Treasurer | In person | Elected Member |
| Mr J. O'Donnell | | In person | Elected Member |
| Mr C. Johnson | | In person | Casual Vacancy |
| Ms L. Ramsay | | In person | Co-opted Member |
| Cllr S. Traynor | | In person | Co-opted Member |

In Attendance:

| | | |
|----------------|-----------|--------------------------|
| Mrs L. Lees | In person | Chief Executive |
| Mrs S. Farrell | In person | Customer & CS Manager |
| ██████████ | Online | Alexander Sloan Auditors |
| ██████████ | In person | Observer |

1. Apologies

Apologies were received from Mrs K. Tennant, Mr P. Shiach, Mrs G. Daly and Cllr G. Johal. It was noted that Mr J. Mooney had a special leave of absence for the meeting.

2. Chairperson's Remarks

The Chairperson welcomed everyone to the last regular meeting before the summer break. It was noted that a quorum was present to enable the meeting to go ahead.

3. Declaration of Interest

The Chief Executive and Customer & Corporate Services Manager declared an interest in Item 22. Policy Review – Payment of Expenses.

4. Business Carried Over from Last Meeting

There was no business carried over from the last meeting.

5. Management Committee Attendance update (if applicable)

The Chief Executive confirmed that Mrs G. Daly had now missed 3 consecutive meetings but Mrs Daly was preparing to retire at the Annual General Meeting.

6. Management Committee External Training/Conference Feedback (if applicable)

There was nothing to report.

7. Secretary's Report (For information)

a) Correspondence

The Chief Executive was pleased to confirm that confirmation had been received from the Scottish Housing Regulator that the Association's status will return to Compliant. The Management Committee acknowledged that it was good to have come through the review process thus far, with improvements implemented, and be back to Compliant.



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b) Share Membership Applications

The Chief Executive explained that the opportunity to accept Share Membership Applications was frozen for the fourteen days prior to the Annual General Meeting per the Model Rules. This was noted by the Management Committee.

c) MC Membership Applications

There were no MC Membership applications received. The Chief Executive confirmed that there will be 7 nominations being put forward at the Annual General Meeting which makes for a strengthened Management Committee. However, the Management Committee was saddened to note that Mr Hillhouse was retiring after 35 years' service. In addition, the Chief Executive confirmed Mrs Daly and Mr Mooney were also stepping down. The Management Committee acknowledged the contribution of all to the Association's achievements.

d) AGM 2024 update

The Chief Executive reminded members of the Association's 39th Annual General Meeting to be held on Thursday 27 June 2024 at 7pm in Centre81.

8. Approval of Minutes & Actions Notes (Decision/Approval Required)

a) Management Committee – 28 May 2024*

There were no errors or omissions noted and the Minute was proposed by Mrs Boyle, seconded by Mr O'Donnell and unanimously approved by the Management Committee.

b) Housing Services SC – 11 June 2024*

There were no errors or omissions noted and the Minute was proposed by Ms Smith, seconded by Mr O'Donnell and unanimously approved by the Management Committee.

9. Business Arising From Minutes (Decision/Approval Required)

There was no business arising from the minutes.

10. Ratification of all Minutes (Decision/Approval Required)

Ratification of all Minutes was proposed by Mrs Boyle, seconded by Mr Hillhouse and unanimously approved by the Management Committee.

11. Clydebank HA Accounts to 31 March 2024* (Decision/Approval Required)

The Chief Executive welcomed ██████████ Alexander Sloan to the meeting and introduced her to the Management Committee. ██████████ thanked the staff for providing the information and clarification requested which greatly assisted the accounts auditing team.

██████████ stated that she would go through the detailed accounts and discuss key figures as follows:



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Statement of Comprehensive Income for the year ended 31 March 2024 (page 16):

- Operating surplus on ordinary activities before taxation recorded as c. £328k (c. £1.05m – 2023)
- Interest received had increased and also interest payable due to high interest rates
- Provision in investment of c. £60.7k which has decreased due to losses reported for CHA Power Limited (c. £101k – 2023)
- Overall ordinary surplus of c. £102k (c. £885k – 2023) mainly due to additional loan interest for new housing developments
- £221k loss recorded in the valuation of the pension scheme and this is dependent on how the scheme and markets are performing and the volatility. It was noted that this is a book adjustment only and not a cash outgoing
- It was noted that Comprehensive Income is negative at c. £118k which was mainly due to the high level and timing of programmed works but that resources are plentiful

Statement of Financial Position as at 31 March 2024 (page 17):

- This Statement shows a “snapshot” of the Association’s affairs as at the 31 March 2024 and in this case, demonstrates the Association’s health and wellbeing
- Value of Housing Properties has increased markedly to c. £48.6m (c. £46m – 2023)
- Cash levels were strong at c. £6.3m (c. £9.2m – 2023). It was noted the cash outflow reflected considerable investment in the year but levels remain plentiful based on requested forecasts for the years ahead
- A strong Net Current Asset position of c. £4.8m (c. £7.6m – 2023) which demonstrates the Association can pay obligations when they become due
- Obligations of the SHAP pension were noted but are a book event only
- Net Assets of c. £24m were noted (c. £24.2m – 2023)
- Cash Flow Statement on page 18 was another representation of the Balance Sheet showing the cash flowing through the Association

██████████ indicated that the auditors were satisfied that the financial statements give a true and fair view of the Association’s affairs as at 31 March 2024 and have been properly prepared in accordance with relevant legislation and accounting practice. ██████████ explained the Going Concern requirements are confirmed there were no issues related to Going Concern in the next 12 months.

██████████ noted that Auditors are required to report by exception where there are concerns over the financial and internal controls. ██████████ confirmed that there were no matters of concern to report.

██████████ invited questions. The Management Committee enquired as to the level of loss for wider role activities noted at Note 4. Particulars of

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revenue, operating costs and operating surplus or deficit from other activities, at c. £178k. The Chief Executive explained that this covered all staffing and activities at Centre81 which is unlikely to ever break even and that the deficit sways each year depending on grant availability, however, funding is always being sought and the Centre itself remains a hugely valuable asset at c. £2.5m. The Management Committee was disappointed to note that the Scottish Government was reviewing their c. £341k 3-year funding commitment to the Centre awarded in 2023 and noted the Chief Executive will keep them up to date.

The Management Committee noted that the one main adjustment to the accounts was roof replacements as the expenditure of c. £60k was not capitalised.

██████████ concluded by stating it was a clean, unqualified, unmodified audit report, and invited questions. There were none and the Accounts were unanimously approved by the Management Committee and the office bearers will sign electronic copies after the meeting.

12. Audit Findings Report – Clydebank HA Ltd* (Approval Required)

The Management Committee was referred to the report which had been circulated prior to the meeting and ██████████ confirmed that there had been no ethical 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 and no matters are unresolved. It was noted again that the Auditors were satisfied that the Financial Statements had been properly prepared for a charitable RSL.

██████████ went through the key audit issues on pages 4 and 5 and confirmed that the Auditors had used a risk-based approach. ██████████ confirmed that they had not come across any management overrides of controls or breaches. The value of investment in the subsidiary company, CHA Power Limited, was discussed and although reduced, still has a carrying value.

██████████ also mentioned that there may be an additional amount due to the SHAPS pension liability due to an ongoing court ruling which may affect the 2025 Financial Statements.

The Management Committee noted the adjusted items listed on Page 7, the unadjusted items on Page 8 along with the minor recommendation on Page 10, none of which presented any concerns and were related to a review of the component accounting spreadsheet and confirmed there were no issues causing concern.

The Management Committee enquired as to the option to manage component accounting on the HomeMaster system. The Chief Executive confirmed it was possible and she had viewed a demonstration but there are no immediate plans to incorporate this but that this would be added to future work plans.

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██████████ confirmed that whilst liaison with the Regulator was not formal, it was however noted. The Management Committee noted the audit team had reviewed all of the correspondence to the Regulator and lenders and found it to be satisfactory.

██████████ asked if there were any questions. There were none. The Management Committee unanimously approved the 31 March 2024 Audit Findings Report for CHA.

13. **Letter of Representation – Clydebank HA* (Decision/Approval Required)**

The Chief Executive referred to the above letter circulated prior to the meeting. ██████████ explained that the Auditors collect a great deal of evidence for the figures used in the annual accounts including confirming that the Association has titles to assets which are then independently verified and confirming that there are no plans or intentions that would alter the carrying value. ██████████ also confirmed that they are satisfied with the key estimates and judgements made including arrears, bad debt provisions, pension scheme, lasting value of assets and they compare well against benchmarking with other Housing Associations.

For the benefit of the newer members, ██████████ spoke over each point included in the letter such as:

- Accounting Records and Transactions – that the Management Committee acknowledge their responsibilities for maintaining records
- Internal Control and Fraud – that there is a system of internal financial controls, albeit delegated to Senior Staff on a day-to-day basis.
- Accounting Estimates – that the accounting estimates made are appropriate

The Management Committee had no questions and the Chairperson confirmed this would be signed electronically by the required office bearers and returned to the Auditor following the meeting.

14. **CHA Power Ltd Accounts to 31 March 2024* (Decision/Approval Required)**

The Board of CHA Power Ltd was referred to the above accounts, circulated prior to the meeting. Mrs Devine talked over the accounts and highlighted key figures, as follows:

- Turnover of £290k was noted however cost of sales was noted at c. (£327k) due to the increase in utility costs and repairs
- The gross loss reported of c. (£37k)
- A loss for the year after tax of c. (£72k) (c. £90k – 2023) which ties in with the investment decrease in the Association's accounts
- Balance Sheet on Page 8 - despite loss and the fuel challenges, importantly the bank balance position remains positive £403k (£458k – 2023)

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- Net current asset position of c. £359k (c. £431k – 2023)

██████████ referred to a number of the notes contained on pages 10 to 16 including the imminent planned spend of £138k to overhaul the existing electricity generator.

██████████ indicated that the auditors were satisfied that the financial statements give a true and fair view of CHA Power Ltd's affairs as at 31 March 2024 and have been properly prepared in accordance with relevant legislation and accounting practice.

██████████ invited questions. The Management Committee enquired regarding note 13, Share capital. ██████████ and the Chief Executive explained that when the company had been set up, it had cost c. £2.3m so there are c. 2.3m £1 shares, but the amount running through the Association's accounts is the total equity of c. £359k.

The accounts were unanimously approved by the Board of CHA Power Ltd and 2 Directors will sign electronic copies after the meeting.

15. Audit Findings Report – CHA Power Ltd* (Decision/Approval Required)

The Board of CHA Power Ltd was referred to the report which had been circulated prior to the meeting. ██████████ confirmed that this was a clean, unqualified report which the auditors were able to arrive at independently in line with ethical standards/safeguards and that no weaknesses were found in the management controls.

The key audit issues listed on page 4 were discussed in particular the detailed note on Going Concern and this was approved by the Board of CHA Power Ltd. ██████████ noted it was a challenging operating and economic environment and a longer-term challenge to manage CHA Power Ltd.

██████████ invited questions. There were none and the report was noted and approved by the Board of CHA Power Ltd.

16. Letter of Representation – CHA Power Ltd* (Decision/Approval Required)

The Chief Executive referred to the above letter circulated prior to the meeting. ██████████ confirmed that it was similar to the letter for the Association, that the Board of CHA Power Ltd make certain representations.

██████████ referred to Page 3 and clauses 17 and 18 in regard to Going Concern and the future viability of the Company. The Board of CHA Power Ltd confirmed that they were satisfied that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements. The planned spend of £138k was noted at clause 11.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Management Committee discussed the proposal and then unanimously approved the borrowing of [REDACTED] from the CAF Bank Green Loan scheme. It was noted that the monies could be held in a term deposit to make it work for the Association.

20. Declaration of Interest/Entitlements, Payments and Benefits/ Gifts and Hospitality Report 2023/24* (Decision/Approval Required)

The Chief Executive referred to the Secretary’s annual report which was circulated prior to the meeting. The Management Committee noted that all entries in the gifts section were in line with the Association’s Policy, with each entry being reviewed and signed off by the Secretary.

The Chief Executive read over all staff and Management Committee publicly available Declarations of Interest held by the Association and the gifts to Association staff. The Chief Executive confirmed that a great deal of training had taken place pre-Christmas, particularly around the refusal of cash gifts.

The Chief Executive invited questions. The Management Committee enquired regarding World Kindness Day. The Chief Executive explained that monies come in from contractors/suppliers and go back out to tenants and customers by way of kindness gestures. The Management Committee noted the content of the report.

Mr Blake and then Mr Hillhouse left and returned to the meeting briefly at this point.

21. Policy Review – Openness and Confidentiality* (Decision/Approval Required)

The Customer & Corporate Services Manager referred the Management Committee to the above draft Policy which was circulated prior to the

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meeting and highlighted that it was an existing Policy which was overdue for 3-yearly review and proposed changes were highlighted in red/purple, mainly relating to data protection changes, updates to requests for information and a new Equality and Human Rights section.

The Customer & Corporate Services Manager invited questions. There were none and the Management Committee unanimously approved the Policy as presented.

22. Policy Review – Payment of Expenses* (Decision/Approval Required)

The Chief Executive referred the Management Committee to the above draft Policy which was circulated prior to the meeting and highlighted that it was an existing Policy, based on the EVH Model Policy, which was overdue for 3-yearly review.

The Management Committee noted the Finance & Corporate Services Manager had completed a thorough review and proposed changes were minor and highlighted in red, mainly relating to job title changes, jury duty, broadband expenses and providing more clarity. The Chief Executive explained it was an important Policy to provide robust assurance to Auditor's on expense payments made.

The Chief Executive invited questions. There were none and the Management Committee unanimously approved the Policy as presented.

23. Amendment required to Finance Procedures* (Decision/Approval Required)

The Chief Executive referred to the report circulated prior to the meeting and confirmed approval was sought to have the Head of Housing Services added on to the Procedure to be a full staff signatory, alongside the Chief Executive and Finance & Corporate Services Manager, for use such as cover for annual leave. The Management Committee noted that Mr J. Farrell had been approved at the February Finance, Audit & Risk Sub-Committee as a Management Committee back-up signatory but it was now realised that a full staff signatory would be beneficial as the Treasurer, who has been extremely flexible, is retiring.

The Management Committee unanimously approved to the change and noted it would be reflected in the review of the Finance Procedures in November 2024.

24. Maintenance Report – SEC upgrades* (Decision/Approval Required)

The Chief Executive referred to the above report from the Housing Services Manager circulated prior to the meeting and highlighted that 6 internal doors within the Social Economy Centre had not met with new fire regulation standards and the most cost-effective quote for replacement had been received from Smith Technical Ltd for [REDACTED]
[REDACTED]

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The Management Committee noted that this work had not been included within the budget and if approved would be included as part of this years' rent review process and, going forward, repairs will need to be included due to the building's age.



25. Customer Consultation/Communications Report* (For information)

The Customer & Corporate Services Manager referred to the above report circulated prior to the meeting, welcomed any suggestions for improvement or questions, and the following was highlighted:

- At 1. Current/Future Consultation & Feedback, the few forthcoming consultations including Performance Report to Customers and Estate Management Policy
- At 3. Large Scale Satisfaction Surveys, the Repairs & Maintenance Service satisfaction statistic for ARC purposes for the year 2023/2024 which was 94%, with a number of 100%s being noted for Quarter 4 regarding staff
- At 4., the wide range of event activity, particularly the Centre81 Gala Day and very successful Clear Out Day and forthcoming complaints event
- At 5. Publications/Design, it was confirmed that the no parking signage, in consultation with owners next to Dumbarton Road car park had been installed and it was great to work with owners on this

The Customer & Corporate Services Manager invited questions. The Management Committee enquired as to the Graham Avenue freestanding sign. The Customer & Corporate Services Manager confirmed it had been added to the report again as advertisement consent was due again in 2025. The Management Committee noted the report.

26. Staff & MC Expenses Report – May 2024* (Decision/Approval Required)

The Chief Executive referred to the report which was issued prior to the meeting and confirmed all entries were in line with the relevant Policies and Procedures. Following review, the Management Committee unanimously approved the expenses as submitted and the Chairperson agreed for her electronic signature to be used. It was noted that the Chief Executive would add this to the Association's signature register.

27. Focus on Governance/Risk* (For information)

a) Notifiable Events Register*

The Chief Executive referred to the above report circulated prior to the meeting and confirmed there were no new Notifiable Events.

b) CHA Governance Improvement Plan*

The Chief Executive referred to the Improvement Plan which was circulated prior to the meeting and highlighted that a couple of

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outstanding items remain including developing a support mechanism and the Business Planning Day.

The Improvement Plan was noted by the Management Committee.

c) Changes to Charity Law Update

The Chief Executive confirmed that the Scottish Housing Regulator had confirmed at the start of the week that OSCR, the independent regulator for charities in Scotland, is making changes next July to strengthen their powers and a further update will be provided in due course.

28. Intranet

The Chief Executive reminded the Management Committee to regularly visit the Intranet, which should be easily accessible from the iPads, particularly the health and wellbeing section which is regularly updated.

29. Signing of Minutes

The Chief Executive had noted that the use of electronic signatures is ongoing.

30. Date and Time of Next Meeting/Training Session

Per the schedule.

Meeting closed.

Checked by: _____

Date: _____

APPROVED

PROPOSED

SECONDED

LL/SF

* Indicates report issued with agenda