

IF YOU WOULD LIKE TO DISCUSS THESE MINUTES OR ANY OTHER COMMITTEE RELATED MATTER, PLEASE CONTACT YOUR CHAIRPERSON,

WENDY RIORDAN ON **REDACTED PERSONAL DATA**



**West
Granton**

Housing Co-op

sustaining and championing the co-operative way

West Granton

Housing Co-operative Limited

Committee of Management

Minutes of Meeting – 17th February 2021

Present:

Wendy Riordan (Chairperson)
Lorna Brown (Vice Chairperson)
Marilyn Dickson (Treasurer)
Elizabeth Robertson
George Thomson
Donna Anderson
Amanda Aitchison
Colin Fraser
Joe Moir
Jon Douglas

In attendance:

Larke Adger (CEO)
David Mills (Governance & Compliance Manager)
Sheena Farrell (Housing Admin Assistant as minute taker)

1) APOLOGIES

2) MINUTES OF MEETING 16th December 2020

The Minutes of the last meeting were approved by the Committee

3) MATTERS ARISING FROM THE MINUTES

None. All passed

4) DECLARATIONS OF INTEREST

Wendy Riordan – Item 6L

5. FINANCE & ADMINISTRATION

5A) Cash in the Bank

This will be reported to Committee each month.

As of 7th December 2020 WGHC, had the following amounts of cash in the bank:

	£
RBS (immediate access)	974,255
Santander (95-day notice account)	834,825
Bank of Scotland (32-day notice account)	21,157
Total cash in Bank	<u>£1,830,237</u>

For comparison, the December 2020 figure was £1,742,782

- **Committee noted the report.**

5B) Presentation of the 3rd Quarterly Management Accounts

Executive Summary

The 3rd financial quarterly report for 2020-21 was provided to The Committee.

Erin Mullen from Prospect Housing Association presented a report to Committee at the meeting.

Nationwide Building Society have now relaxed their information requirements and have advised they no longer require WGHC to submit their financial quarterly reports.

- **Committee have noted the report and no questions regarding this have arisen**

5C) Moving Pension Scheme – from Defined Benefits to Defined Contributions

Executive Summary

Following Committee approval at the December meeting, the CEO confirmed that WGHC will now officially move staff from a defined benefit to a defined contributions pension scheme with life cover from 1st April 2021. As agreed by the Committee, Staff will be asked if they wish to “opt in” for the salary sacrifice scheme.

WGHC have given The Pensions Trust the required 3 months’ notice for this change to take effect from 1st April 2021. An administration fee of £500 was charged to WGHC for making this change.

Employer pension costs is one of the biggest back dated debts and ongoing liabilities which pose a risk to WGHC. To shift the risk from employer to employee by moving to a defined contributions scheme is a sound financial decision to make to help secure financial stability for WGHC in years to come.

- **Committee have noted the report**

5D) Nationwide Building Society Libor to Sonia Transition

Executive Summary

An comprehensive report was issued discussing the **London Interbank Offered Rate (LIBOR)** used by banks to work out how to calculate interest on loans. This includes the interest on WGHC’s loans with Nationwide Building Society.

Loans which reference LIBOR, including WGHC’s loans, will need to move on to an alternative reference interest rate on or before the 31 December 2021.

The FCA and the Bank of England has recommended the **Sterling Overnight Index Average (SONIA)** as the new reference interest rate across the banking market. **SONIA** will be administered by the Bank of England.

WGHC don’t need to do anything at the moment. Our loans will continue as normal. Nationwide will contact WGHC in due course to explain how these changes will affect our loans. Once the CEO has received more information from Nationwide Building Society, this will be reported to the Committee.

- **Committee have noted the report**

5E) BUDGET FINANCIAL PROJECTS

Executive Summary

The Budget Working Group met on 11th February 2021 to look over and discuss:

- The 2021-22 Budget
- The 5 Year Financial Projections for Planned Maintenance & Component Replacement
- The 30-year Financial Plan

Proposals for a rent increase of 0.7% for 2021-22 were presented.

The CEO presented the above for Committee approval. These will be included in the 2021-22 Business Plan and will form the basis for the five-year financial projections' submission to the Scottish Housing Regulator. The Committee were invited to ask the CEO any questions.

1a. 2021/22 Reactive and Planned Maintenance Budget discussed and proposed:

Reactive & Voids	£238,936.00
Planned Maintenance	£224,484.00
Overall Total	£463,420.00

1b. 2021/22 Management & Maintenance Administration Costs Budget discussed and proposed:

Management & Maintenance	£394,241.00
Office Costs	£102,251.00
Other Overheads	£172,001.00
Overall Total	£668,493.00

1c. Component Asset Replacements for 2021/22

Component Asset Replacements for 2021/22

It is estimated WGHC will need to spend £366K set to replace the kitchens in Area 4 (Ferry Road Avenue, West Pilton Park and Craigmuir Place) and £66k to replace the ground floor toilets in Area 1.

1d. A Statement of cash flow for 2021/22 (12 months) and 2021 to 2051 (30 years) – was presented to the Committee.

A summary of how much money WGHC will have left in the bank at the end of the year (2021/22) after estimating income (rents & grants) and subtracting costs (our expenditure). Having sufficient cash in the bank is a key requirement for WGHC to stay solvent.

Based on the Year 1 Budgets for 2021/22 it is estimated that:

- WGHC will make an operating surplus (profit) of £147,905
You can see this in the Revenue Budget Summary on Page 11 of these reports.
- WGHC will have a cash balance of £1,237,641 in the bank as of 31st March 202.
- **Note:** The above cash balance in the bank means WGHC will have an interest cover ratio of 2.38: 1.

The 5 year Planned Maintenance & Component Replacement Projections were presented and discussed thus:

Components:	<u>366,000</u>	<u>580,800</u>	<u>616,000</u>	<u>519,600</u>
Planned Maintenance:	<u>224,484</u>	<u>213,032</u>	<u>217,183</u>	<u>246,419</u>
TOTALS:	<u>590,484</u>	<u>793,832</u>	<u>833,183</u>	<u>766,019</u>

The above tables show:

- the proposed budget for the Component Asset Replacement over the 5-year period from 2021/22 up to and including 2025/26. This is for replacing items such as kitchens, bathrooms, boilers, windows & doors, etc.
- the proposed Planned Maintenance budget for 2025/26. This includes works common maintenance works like in stairs, estate wide cleaning and gas safety checks.

3. The Cash Flow Statement 2021-2051 (30-year Financial Plan) (Loan of £1.5 million)- was presented

Based on the size of WGHC's stock of 372 units, the cash figure should ideally never go below £300k. In 2024, the cash figure is estimated to sit at £554k. This is why it is important both budgets and all financial projections are reviewed annually.

- **Committee approved the 2021-22 Budget**
- **Committee approved the 5-year projections**
- **Committee Approved the 30-year Financial Plan (and noted that both the 5-year projections and 30-year financial plan are subject to annual review)**

5F) Nationwide Building Society Loans moving from Fixed to Variable Rate

Executive Summary

WGHC currently has 5 loans with the Nationwide Building Society.

3 fixed loans expired on 16th February (loan numbers 590964, 590986, 591030). They each fell under the 2006 Loan Agreement. NBS have asked if we would like to arrange to put these loans onto a fixed rate again.

The CEO proposed to Committee we look to fix these loans again for a *further 5 or 10 years*. The 10-year options looked attractive and would be the least risk averse. Moving onto fixed loans will offer financial stability and certainty to WGHC and it reduces current monthly payments by about £1k for *each* loan.

- **Committee opted to put the 3 Nationwide Loans back on a fixed rate**
- **Committee decided to opt for the 10-year fixed rate**

5G) Nationwide Building Society Mandate

Executive Summary

Nationwide Building Society have advised the CEO they do not hold a signed mandate on their records. A mandate was provided for completion and return. The mandate is to give authorisation to nominated signatories in relation to each of the Nationwide Building Society Accounts. The CEO proposed the following Members/persons as nominated signatories:

Name	Position	Purpose	Limit	Sole/Joint Authority
Wendy Riordan	Director	All transactions	Up to full balance of account(s)	Joint with another Director or the Company Secretary
Lorna Brown	Director	All transactions	Up to full balance of account(s)	Joint with another Director or the Company Secretary
Marilyn Dickson	Director	All transactions	Up to full balance of account(s)	Joint with another Director or the Company Secretary
Larke Adger	CEO & Company Secretary	All transactions	Up to full balance of account(s)	Joint with a Director

In agreeing to the above the Committee are giving full authority to authorise the named joint persons in the form above to instruct Nationwide Building Society to carry out all transaction types, including the transferring of funds, entering into fixed rate loans, interest period rollovers, loan draw down declarations and

requests and the removal and addition of mandate holders and all other associated account and product transactions.

- **Committee have authorised for the following Directors and staff member to become named signatories for all the Nationwide Loans/Accounts:**
 - Wendy Riordan (Director)**
 - Lorna Brown (Director)**
 - Marilyn Dickson (Director)**
 - Larke Adger (CEO & Company Secretary)**
- **Committee have authorised the above named to have full authority to carry out all transaction types on all of WGHC's Nationwide Building Society Accounts and Loan Products, in accordance with the permissions/authorisations granted in the signed mandate form.**
- **Committee have approved for any two of the above-named Directors to jointly give their permission to NBS to carry out any transaction in relation to any NBS account or loan product or investment product. If the CEO/Company Secretary wishes to act or instruct NBS she first must seek the approval of one of the named mandated Directors and receive their signature on a letter or form giving their approval of the actions/ instructions to be carried out. These are listed as but are not limited to:**
 - transferring of funds
 - entering into fixed rate loan
 - interest period rollovers
 - loan draw down declarations and requests and
 - the removal and addition of mandate holders and
 - all other associated account and product transactions.

6A) Governance

6A) Quarterly Performance Reports – Were presented to Committee - Appendix 3

Executive Summary

The performance report for the period 1st April to 31st December 2020 is enclosed in Appendix 3 and focusses on the key performance indicators of our day-to-day operations including, how long it has taken us to relet an empty property, the speed of response to emergency repairs and complaints.

- **Committee noted the report and no questions have arisen**

6B) Authorised Signatory Request – Royal Bank of Scotland Accounts

Executive Summary

The CEO requested permission from the Committee to allow David Mills, Governance & Compliance Manager to be named as an authorised signatory for our Royal Bank of Scotland accounts.

This will allow the Governance & Compliance Manager to authorise online bank payments which have been set up for approval online by our Assistant Finance Officer. It also means that David Mills would be able to sign cheques (although this is considered extremely rare these days).

As part of this process, former staff members Alan McKee and Gerry Gillies should be removed as authorised signatories from the accounts.

- **Committee approved David Mills as authorised signatory for WGHC's 3 x RBS accounts which includes authorising payments on our online RBS banking system.**
- **Committee approved for Alan McKee and Gerry Gillies to be removed as authorised signatories with RBS**

6C) EVH Pay Negotiations – WAGES BALLOT

Executive Summary

WAGES BALLOT

The EVH Negotiating Team have **recommended** a two-year deal on salaries. Accordingly, **Full** member organisations, **such as WGHC** are asked to vote on the proposal, which is set out below.

A two-year deal which will result in the following awards being made:

April 2021

An increase of 0.80% on all salary points. This will also be applied to all allowances, bar the Long Service/Retiral Award; and the standard HMRC fixed profit mileage allowance.

April 2022

An increase of October 2021 CPI plus 0.1% on all salary points. This will also be applied to all allowances, bar the Long Service/Retiral Award; and the standard HMRC fixed profit mileage allowance, and is subject to the following:

- Minimum award of 1.00%, and ceiling of 2.50%. *

* For clarity, this means that if the October CPI figure drops below 1.00% in year 2 then a minimum award of 1.00% will be applied. The parties will re-enter negotiations should the October CPI figure exceed 2.50% in year 2.

- **Committee accept the salary increases as set out in the proposed table above**
- **Committee authorise for CEO to respond to EVH on its behalf**

6D) Staffing Update

Executive Summary

a) Governance & Compliance Manager (EVH Grade 8)

On 15th January 2021, David Mills commenced employment with WGHC as Governance & Compliance Manager.

b) Staff Absences

A housing officer is still off long-term sick. WGHC are unsure of any proposed date of return.

The Housing Manager reports we do not need to hire the services of a temp at present whilst we our office is in lockdown and that the team can cope with the exiting workload.

c) Authorisation to be paid for Outstanding Annual Leave for 2020-21

- **CEO**

Due to staffing absences, staff restructuring and recruitment of a new senior staff member, the CEO has been unable to take all annual leave entitlement. 17 days are outstanding.

- **Maintenance Manager**

Due to the restrictions of lockdown and the large number of contracts WGHC has had to continue to tender and manage throughout the period of our office being closed, the Maintenance Manager still has 5 working days annual leave left from 2020-21.

- **Committee noted the report**
- **Committee approve for the CEO to be paid for 17 days and the maintenance manager for 5 days unused annual leave**

6E) Governance & Compliance Report

Executive Summary

Following Committee approval at the December meeting, David Mills (WGHC's Governance & Compliance Manager) has now registered with the Information Commissioner's Office as WGHC's new registered Data Protection Officer.

Moving forward, at Committee Meetings, David will provide a short report to Committee on various governance and compliance matters. He will also deputise for the CEO at some future meetings, to allow the CEO to be able to take her full annual leave entitlement.

David briefly described to the Committee his workload since joining WGHC

- **Committee have noted the report**

6F) Annual Appraisals for Committee Members

Executive Summary

As part of the Scottish Housing Regulator's Regulatory Framework, all Committee Members must have an Annual Appraisal.

Over the next 5 weeks, each Committee Member will be invited to attend their performance appraisal meeting with the Chairperson. Before the meeting, each member will be asked to complete two forms, and these will be used as the basis for discussion at their appraisal. The Chairperson's annual appraisal will be carried out by the Office Bearers of Vice Chair and Treasurer.

In addition, any Committee Member who has served on the Committee for 9 years or more must complete an additional form to be discussed with them at their appraisal. This is a requirement of the Regulator and its purpose is to provide assurance to the Committee that the member continues to be effective in their role.

The CEO and the Governance & Compliance Manager will arrange the appraisals to take place physically in the Board Room or for those who prefer, they can have their appraisal carried out virtually. Committee Members will be contacted in due course and a final outcome report will be presented to Committee in due course. This work forms part of the Annual Assurance Statement for the Regulator.

- **Committee noted the report**

6G) Stair Cleaning Contract – Renewal

Executive Summary

WGHC entered into a shared services agreement with Port of Leith Housing Association 3 years ago to carry out our stair cleaning services. PoLHA formed a subsidiary company called Quay Community Services for this purpose.

The CEO has invited Quay Community for a quote to continue providing us with these services for a further 3 years.

In accordance with WGHC's Financial Regulations, any term contract must be calculated over a 3-year period. Any contract exceeding £25k (excl VAT) requires Committee approval. The cost of further 3-year contract with Quay Community Services would amount to £44,682.66 (excl VAT).

As a guide, for the cost of stair cleaning works out at approximately £944 per stair for the year in 2021/22. This is considered exceptionally reasonable. It is proposed that WGHC accept the quote and again engage the services of Quay Community for a further 3-year period from 01/04/21 to 31/03/24.

- **Committee accept the quote of £44,682.66 (+VAT) from Quay Community Services and authorise the CEO to sign a further Service Level Agreement for Quay**

6H) Landscaping and Grass Cutting Services Contracts

Executive Summary

Committee approval was sought for the renewal of a term contract.

The last tender exercise was carried out in 2006 and this was won by MenCo. They have been invited to quote each year since and their price increases have been lower than inflation over the period. Their performance has remained good throughout the period and our tenants remain very satisfied with the quality of the workmanship and the friendly, helpful service they receive. Therefore, in relation to price and quality we believe we are getting value for money. Based on this the CEO has again invited MenCo to quote for 2021-22.

The quote for providing the service for 2021-22 is as follows:

There are approximately **18** fortnightly cuts throughout the growing season.

This means the estimated cost will be £588 x 18 = £10,584 +VAT. Last year the cost was £8,640 + VAT

Committee should note:

1. that this cost is estimated as it is dependent on the number of tenants in receipt of the service and the number of cuts (which is weather dependent) throughout the year.
2. that the number of tenants in receipt of the Grass Cutting Service is slowly increasing due to the number of ageing tenants.

The CEO is permitted to negotiate contracts on the basis of one quote where the value is under £25K excluding VAT. However, in the case of term contracts, which may be renewed every year or every 2 or 3 years; the value over 3 years is used (in accordance with our financial regulations). In this case, over 3 years, both contracts are expected to be over £25k excl VAT.

Therefore, Committee approval for both contracts is sought.

- **Committee have considered the costs of the contracts from MenCo and are satisfied, and award the contracts to MenCo for 2021-22**

6I) Claim for vandalism to lift £20K - Zurich

Executive Summary

On 31st December 2021 between 11am and 4pm the lift at 10 Colonsay Close was vandalised.

Investigations were carried out by the Housing Management Team and letters were sent out to all tenants in the stair asking them to come forward with any information.

Whilst we have been unable to find out who caused the damage it is believed that someone got stuck in the lift and the door was forced open with a spade. This has caused over £20k worth of damage, including damage to the carriage door, electric wiring and panel. The Alarm Button in the lift was not activated/used. Had it been used, the damage may have been avoided, or at least, minimised.

The CEO has reported the incident to the police and submitted a claim to our insurers at Zurich and we are awaiting to hear the outcome.

Given that the costs of the repairs will be in excess of £20k, Zurich have advised this will increase the cost of our premiums for next year. The CEO will feedback in due course with the outcome of the claim. Given the expected increase in premiums, this will take next year insurance costs over the £50k level which means WGHC will have to put out a tender to renew our insurance for 2022/23.

- **Committee noted the report**

6J) Internal Audit Sub Committee Meeting

Executive Summary

Our internal auditors, Wylie & Bisset carried out our Internal Audit in early January 2021. The CEO, Governance & Compliance Manager and Assistant Finance Officer all assisted with this year's audit. The areas of financial controls, our IT systems and Freedom of Information were audited.

WGHC have now received the draft reports of the outcomes of these audits. These reports now need to be presented to the WGHC Internal Audit Sub Committee by the Internal Auditors. According to the WGHC Financial Regulations, membership of the Audit Sub-Committee should be our office bearers. Namely, the Chair, Vice Chair and Treasurer.

It is proposed that the Internal Audit Sub-Committee physically attend in the WGHC Board Room on 24th March 2021 to receive the virtual presentation of the audit by Wylie Bisset. Outcomes, findings and recommendations and follow up actions are to be fed back to the main Committee of Management thereafter.

- **Committee agreed the Internal Audit Sub Committee meet with Internal Auditors on 24th March 2021 to receive outcomes, findings and recommendations of this year's internal audit.**
- **Members of the meeting have agreed meeting is to be held at 2.00pm**

6K) Committee Meetings to be changed to 3rd Wednesday of each month

Executive Summary

Historically, the Committee Meetings have been held on the second Wednesday of every month except for January and July. This arrangement has been in place for over 20 years.

Increased levels of regulation and submissions to various external regulatory bodies and agencies requiring Committee approval have put increasing pressure on the workload of the CEO and added to already tight time constraints. It is hoped with the recruitment of the new Governance & Compliance Manager, much of this work can now be shared or delegated.

The CEO has looked at the various submissions and work required over a full financial year and would like to propose that the Committee Meetings are now held on the 3rd Wednesday of every month (except for January and July unless required). Evening meetings will continue. Meetings presently start at 7pm. Committee are asked to review this start time and advise if this still works for them or, do they wish to change the start time for meetings. For example, to 6.30pm?

- **Committee approved from March 2021. Committee Meetings will be held on the 3rd Wednesday of each month (except for January and July unless required)**
- **Committee reviewed the start time and agreed that this would be changed to 6.30pm**

6L) FaceNorth – Invite to make presentation at March Committee Meeting

Executive Summary

The CEO proposed WGHC entering into a Service Level Agreement with a community project called FaceNorth. Their work has a direct impact on the reduction and prevention of crime and antisocial behaviour from youths in our local community.

WGHC have received a proposal in the form of a service level agreement. The Agreement from FaceNorth is for an initial 12-month period between them and WGHC. The CEO asked the Committee if they would consider inviting the manager of FaceNorth to virtually attend the March Committee Meeting for a brief 15-minute presentation on they work that they do.

Without any support from an organisation like WGHC, FaceNorth will cease to exist in the future and this will be of serious detriment to our local community and to those youths who are currently supported by this programme; some of whom are the youths of WGHC tenants.

- **Committee agreed for the CEO to invite FaceNorth to virtually attend the March Committee meeting for a 15-minute presentation to discuss the work they do, their proposal to WGHC and the barriers/difficulties they are currently facing which with WGHC's support, they could overcome.**

6M) Memberships and Terminations

Executive Summary

Since the last meeting:

There have been 5 new Memberships

There have been 2 Terminations of Membership

- **Committee noted the report**

6N) Health & Safety Report

Executive Summary

There have been no health and safety incidents to report since the last meeting.

- **Committee noted the report**

7. AOCB

A committee member asked if something could be put into the next newsletter about dog fouling as it has continually been getting worse.

A committee member asked if new gas engineers could be checked as they have been advising tenants that the way pipes are attached on certain items is illegal. Possible money-making scheme.

8. Date of next Committee Meeting

Executive Summary

It is proposed the next meeting be held on Wednesday, 17th March 2021

- **Committee approved the next Committee Meeting to be on Wednesday 17th March 2021 which will be virtually.**

Signed **REDACTED PERSONAL DATA**

Date: 17/03/21

Chairperson