

**MINUTES OF MEETING NO. 679**  
**QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT**  
**HELD ON TUESDAY 30 MAY 2023 AT 6.00 P.M.**

Andrew Burns, Ian Elrick, Margaret Glass, Sadie Gordon, David Horner, John McIntyre, Matt Millar, Bronwyn Wyper.

John Boyle (Head of Asset Management), Margaret Brannan (Business Strategy Manager), (Neil Manley (Director of Finance & Corporate Services), Louise Smith (Director of Neighbourhood Services)- Via zoom, Donalda Hogg (Depute Director of Property, Enterprise & Regeneration), Elizabeth Hood (Depute Director), Alison McKay (Governance Advisor) minutes, Fiona Smith (Executive Office Manager), Jim Williams (Maintenance Manager)

**ACTION**

**1.0 Housekeeping**

1.1 Noted.

**2.0 Welcome and Apologies**

2.1 The Chair welcomed everyone to the meeting. Apologies were noted from Shona Stephen, CEO and Anne Ramsey.

**3.0 Declarations of Interest**

3.1 There were no new declarations.

**4.0 Q4 Performance 2022/23**

The purpose of this report is to present the Association's performance report for Quarter four (Q4) 2022/23, covering January, February and March 2023. The report highlights performance across our Key Performance Indicators (KPIs). The report includes results for the Association's Annual Return on the Charter (ARC) and HouseMark Peer Group benchmarking and allows us to analyse trends in performance over the last three years. Neil Manley, Director of Finance & Corporate Support presented this report.

4.1 The Association has 19 KPIs in 2022/23. Eighteen KPIs are reported quarterly, and one is reported in the Q4 report on an annual basis. The discussion focussed on the Red (10% or more off target).

4.1.1 The 60% target in Section 5 lets has not been met and the Board noted the full explanation of the reasons and challenges for this were detailed at section 3 of the cover report. However, the Association is still contributing one of the highest level of s5 lets in city. There has been some improvement in the re-let times for Q4, however it is measured only for properties that have been returned and relet. Getting voids ready and returned for allocation has been extremely challenging, across Q4, due to the changeover in contractor. We are working hard to reach as much as we can and constantly in discussion with council.

**4.2 Complaints & Compliments Report 2022/23**

4.2.1 Neil advised this report shows a drop in satisfaction for Q4 and highlighted but the new contactor is starting to make their mark in Q1 with some improvement being noticed, however staff are currently still working closely with tenants to deal with outstanding complaints. It was also noted that whilst we have had an increasing number of

complaints about our maintenance service, in relation to the number of repairs that have been raised, the numbers are low.

### **4.3 Strategic Risk Register**

Neil highlighted the adjustments shown in red. Although the risk of direct intervention on rents by Government in 23/24 has not happened this is a potential risk for future years.

Risk 4 of the report highlighted the potential risk of utility costs and the cost of living. Increases in Utility costs where the Association is the intermediary energy provider, i

Risk 14 highlights that higher energy costs can lead to more properties being unheated with a great risk of dampness and general property decay.

Risk 21 notes the transition to the new repair contractor. Neil highlighted that this is a significant key risk. The Association is ensuring the process is streamlined and improvements are being made each week.

Risk 13 noted high scoring in place due to the status on smoke alarm installation.

### **4.4 Management Accounts**

This report sets out the quarterly financial information for the Association up to the end of Quarter 4 2022/23 (31st March 2023) and consists of a cover report and attached financial reporting appendices for the Association and the subsidiaries, Queens Cross Factoring and Queens Cross Workspace. As the year-end and audit work continues this is a draft position before final accruals figures and audit adjustments are agreed.

The Board noted a positive position on income and noted an underspend on salaries. There are still a number of year end accruals to agree and post including the final payment to the Bell Group so the overall saving will reduce.

The Board noted that the void budget shows a spend level of £1.24k against a budget of £760k, an adverse position of £487k. The continuation of a higher average spend per unit arising as a consequence of poorer conditions of void properties was noted. This is being addressed by arranging earlier pre-termination inspections. The year also saw an increased number of voids after the covid period with 351 plus properties for the year. The team is undertaking a review of void costs in more detail to better understand the drivers behind the higher average costs per void to allow us to control or better plan for this. If any costs are associated with full component replacement these can be moved to the capital investment budget

Spend on responsive repairs to the end of Q4 is £2.2m against the budget of £1.825m. This adverse variance is driven both by higher repair volumes as we gradually reduced the backlog post-Covid and higher repair and component costs as a result of the inflationary environment.

### **4.5 Workspace & Factoring**

The financial position of the factoring subsidiary was detailed in Appendices 6 & 7 and shows a profit to the end of Q4 of £12,920 in line with what we had budgeted, however this is prior to any final year-end audit adjustments.

The financial position of the Workspace subsidiary was detailed in Appendices 8 & 9 and showed a surplus to the end of Q4 of £341,719 against a budget of £258,389. This is £83,330 higher than budgeted for at this stage and is the result of a combination of significantly more rent and service charge income (higher retention and new tenancy

arrangements than we had expected) and an underspend on our major repairs budget (impact of covid on availability of materials and contractors).

#### **4.6 Hamiltonhill Progress**

- 4.6.1 The purpose of this report is to present the progress reports for the Hamiltonhill regeneration projects, in particular the Green Infrastructure and the Phase 1 housing. John Boyle, Head of Asset Management presented this report.
- 4.6.2 By the end of March, works had been on site for 31 weeks. Works on site until now have focussed on earthworks, service installations and connections as well as concrete foundations being laid. These elements of works have all generally been completed and progress is on programme with no issues of possible delay and the quality of the works has been high to date with no cause for concern. Appendix 1 provided an update on the investment programme.
- 4.6.3 The Board was pleased to note that a community information event was held on 21 March to advise and remind residents of the works being undertaken.

#### **4.7 Gas Service**

The purpose of this report was to present an overview of gas service performance for 2022-23. Elizabeth Hood, Depute Director of housing Services presented the report. The Board noted the key highlights set out in the report.

#### **5.0 SHR Annual Returns**

- 5.1 The purpose of this report was to present annual returns approval . Neil Manley, Director of Finance & Corporate Services presented this report.
- 5.2 The Association as part of the Scottish Housing Regulators (SHR) regulation plan, is required to submit annually the returns as listed below.
1. Annual return on the Charter
  2. EESSH Return
  3. The 5-year forecasts attached combines the year end position with the forward budget agreed in March.

The submission date has been brought forward to 30<sup>th</sup> May from June so 2022/23 outturn figures have been estimated pre audit figures. The Board authorised Neil to upload these returns online to the SHR.

#### **6.0 Annual Procurement Report & Strategy**

- 6.1 The purpose of this report is to evidence compliance with the Strategy 2022-23 which set out the Association's four strategic aims for procurement activity and how we would achieve these. Neil Manley, Director of Finance & Corporate Services presented this report.
- 6.2 Queens Cross Housing Association is required to present our plan under Section 15 of the Procurement Reform (Scotland) Act 2014, The Strategy outlines all planned procurement activity, that would qualify as regulated procurement. This is a statement of the Associations intent.

The Board noted the report.

*Jim Williams, Maintenance Manager and Margaret Brannan, Business Strategy Manager, joined the meeting at 6.55pm.*

## **7.0 Reviewing and Demonstrating Compliance with the SHR Regulatory Standards - Tenant and Resident Safety**

7.1 The purpose of this Assurance Review Session was for Board members to discuss tenant safety as a part of their responsibility for ensuring compliance with SHR Regulatory Standards. This report was presented by Fiona Smith, Executive Office Manager.

7.2 In preparation for this discussion, Board members were provided with two documents: ALCT group's Terms of Reference and the Audit Committee's Terms of Reference.

Fiona delivered a presentation which set out the following key points (the presentation will be available in the portal).

- QCHA provided assurance in our latest SHR return in October 2022.
- The Association has an inter-departmental team, Asset Legislation Compliance Team (ALCT) that oversees the physical compliance of assets.
- This team provides an annual report to the Executive Team that raises any issues of non-compliance, which in turn are reported to the Board.

Three key areas of tenant and resident safety are electrical, fire and gas safety. Our engagement plan requires us to provide monthly updates to SHR on compliance in these areas.

The Board spent time reviewing and discussing the compliance controls currently in place. One key group is asset legislation team (ALCT) which has a key role in monitoring and implementing any requirements from HSE and any other new regulations and what this means for QCHA and ensuring implementation. The ALCT terms of reference are in portal. and these have recently been reviewed and updated. Meetings have increased in frequency from quarterly to monthly with staff from across the organisation in attendance.

There is a focus on the new contractors and in particular cyclical compliance. A separate working group has been set up to review our approach to condensation, damp and mould (DCM) and the Board noted that an Action Plan has been put in place.

The following key topics are a current focus for the ALCT.

### **Asbestos**

### **Gas safety**

### **Electrical testing**

### **CMD (Condensation, Mould and Damp)**

Slide 8 of the presentation set out the role of the Audit Committee and an extract from a recent internal audit report. Tenant & Resident safety has been identified as a key priority in the Internal Audit Plan for 2023/24 .

The Board took time to discuss the content of the presentation, including electrical inspections, gas servicing, smoke and heat alarm programme, cladding in high rise flats, asbestos in common areas, CDM, and the SHR asset register. The Board asked for an update on Tenant Safety matters should be added as a standing item to the quarterly performance meeting agendas.

*John Boyle, Jim Williams & Margaret Brannan left the meeting at 7.40pm.*

## **8.0 Review of Customer Involvement Groups – CIGs**

- 8.1 The purpose of this report was to present a review of the CIG's which recommended removing them from the Association's formal governance structure. The report was presented by Elizabeth Hood, Depute Director.
- 8.2 The CIGs have been in place since the stock transfer in 2011. A review carried out by TIS has indicated that removing CIGs from the governance structure would remove some barriers to engagement and may increase participation. Rebranding the groups with a neighbourhood focus may also encourage wider engagement.

#### The Board

- a) Agreed the change to the governance structure that removes the CIGs (neighbourhood committees) from the Association's formal governance arrangements, as set out in section 58.4 of QCHA Rules ahead of the AGM in September 2023.
- b) Noted the update on the RTF.
- c) Noted the position of the Young Persons Group.

### 9.0 **Update from Chair of Audit Committee and Approval of 2023-24 Audit Strategy following meeting of 15 May 2023**

- 9.1 This update was presented by John McIntyre.

John advised that Matt Millar has now attended his first meeting of the Audit Committee after being formally appointed by the Housing Association Board on 28 February 2023.

The committee received an update on rent credits. Discussions have taken place with the external auditor, and they have been made aware of the progress that has been made and it is anticipated that it will be removed from the 2022/23 audit report.

Following a TIAA Assurance review of Allocations, the Chair asked for an implementation date to be put against 3 recommendations noted in the report.

The main discussion held was around fire safety. The Committee asked that this be included in the plan for 22/23 and it was agreed that further assurance has been provided through the Tenant and Resident Safety Item on tonight's agenda.

The Board approved the Internal Audit Plan for 2023/24.

### 10.0 **CEO Appraisal**

- 10.1 The purpose of this report was for the Board to note that the Chief Executive's annual Performance and Development Review has recently been undertaken; confirming that all objectives set for the year past have been achieved, despite the period in question being one of continuing change, challenge, and uncertainty within the social and economic environment in which Queens Cross operates. Andrew Burns, Chair presented this report.
- 10.2 The CEO's performance review was carried out on Monday 24 April by Andrew Burns, Chair, Sadie Gordon, Vice Chair, Anne Ramsey, Vice Chair and with the support of Eammon Connolly from EVH. The report provided by Eammon noted that the 2023 assessment process was once again, suitably robust, and very productive and that the agreed objectives were all clear, strategic, and relevant.

### 11.0 **Approval of Co-options to QC Group Boards**

11.1 The purpose of this report was for the Board (Parent) to agree the appointments of Louise Sterger to the QC Workspace Board and Rose Sehakizinka to the QC Community Foundation Board. Fiona Smith, Executive Office Manager presented this report.

Both appointments were agreed by subsidiary at their Board meetings. As the Parent of the Group, the QCHA Board must formally approve all appointments to the subsidiary Boards.

The Board approved the appointments for Louise Sterger to the QC Workspace Board and Rose Sehakizinka to the QC Community Foundation Board.

**12.0 Health and Safety**

12.1 There were no Health and Safety issues or items to report.

**13.0 New Membership Applications**

13.1 There were no new membership applications to approve.

**14.0 Minute of Previous Meeting**

14.1 The minutes of the meeting 678 were reviewed for accuracy and matters arising. There were no matters arising and the minute of the meeting was proposed by Sadie Gordon and seconded by Margaret Glass.

**15.0 Action Tracker**

15.1 Quarterly updates on Tenant safety should be added to the action tracker.

**16.0 AOB**

16.1 There was no other business.

**17.0 Date and Time of Next Meeting**

The meeting concluded at 8.10pm. The next meeting is scheduled to take place on 29 August.

I certify that the above minute has been approved as a true and accurate record of proceedings:

Chair: ..... Date: .....