

MINUTES OF THE **VIRTUAL** MEETING OF THE COMMITTEE OF MANAGEMENT OF WHITEINCH AND SCOTSTOUN HOUSING ASSOCIATION LTD HELD AT 7.00 PM ON WEDNESDAY 25th NOVEMBER 2020

Present : C Watson (Chairperson)
C Ennemoser
L Stevenson
B MacDonald
R Hunter
R Carrigan

In attendance : I Morrison Chief Executive
K Szulc HR & Support Services Officer (Minutes)
A Reid Financial Services Manager
J Gordon Property Services Manager
K McQueen Deputy Chief Executive
J Calderwood Housing Manager

1. **APOLOGIES**

L Mimmagh, D Keaveney, A Bruce.

2. **CHAIRPERSON'S REMARKS/COMMITTEE – STAFF NEWS**

Birthday wishes sent to Fiona MacNamee, Housing Assistant who celebrated a milestone birthday. The Chairperson welcomed Chris Docherty from RSM Auditors to meeting.

3. **DECLARATIONS OF INTEREST**

None.

4. **MINUTES OF MEETING OF 28th October 2020**

The Deputy Chief Executive (DCE) informed Committee that David McCormack, previously employed as a Temporary Stock Condition Surveyor, had been recruited and started as Projects Officer. The Minutes of 28th October 2020 were proposed by R Hunter & seconded by C Ennemoser.

5. **MATTERS ARISING**

Ian Morrison said that the New Rules Amendment would be put to the members at the SGM on 9th December 2020 and everyone was asked to attend if possible.

6. **MINUTES OF AUDIT SUBCOMMITTEE MEETING – ORAL REPORT FROM 25TH NOVEMBER 2020**

7. **FINANCIAL STATEMENTS TO 31ST MARCH 2020**

The Financial Services Manager (FSM) confirmed that the Audit Sub-Committee had approved the accounts and introduced Chris Docherty, RSM, to talk through them. He advised that the 5 and 30-year plans had been reviewed, and factoring in the pandemic, the government furlough scheme, rent collection, etc. a positive view of forecasts had been produced. The auditors were happy with their testing, that the Association is adhering to loan covenants and there are no issues with going concern status. There is a recommendation that the Committee of Management implement a Diversity Policy and a Cyber Security Policy to follow best practice going forward.

The auditor said that the audit reports were clean and he was happy that they do not need modifying. The statement of comprehensive income showed numbers that were consistent year-on-year and payments on loans should be continued. The actuarial gain of £683,000 will be reversed and should unwind next year; this does not impact on cashflow, being an accounting recognition on the annual actuarial movement on the defined benefit pension. The financial position of the statement concerning assets & depreciation are offset by additions this year. We have a healthy cash balance of £5m for projects, including KBR. Creditors due after 1 year are £2.7m and we continue to service that. Net Assets have increased by £1.5m. The going concern status has been expanded to reflect the current economic and operating impact of the Covid -19 pandemic, including the review of the operating position at the date of approval of the 2019/2020 accounts and reviewing current short, medium and long-term forecasts. There are not many changes, only a few additional narrative changes to the notes.

There were no questions from Committee on Chris Docherty's summary and the Chairperson thanked him for his input. The FSM was then asked if there had been any further update from bank. He advised that they knew the accounts were being presented, being comfortable with a draft set provided. If approved, two Committee Members, the Chairperson, the Secretary and Chris Docherty would need to sign them off. The accounts were then approved by R Hunter & seconded by L Stevenson. Chris Docherty reported that the Audit Finding Report presented to the Audit Committee highlighted key risks, but he has gained enough audit confidence that there is only a minor recommendation and that he would be happy to sign off on these accounts. Chris Docherty then left the meeting.

8. ANNUAL ASSURANCE STATEMENT 2020

Ian Morrison reminded Members this had been introduced last year for the first time. It is essentially a one-page statement to the effect that Committee are satisfied that the Regulator's governance standards are being met. Last year's statement was based on an internal audit exercise while this year Committee had planned to set up a working group, but Covid got in the way. The Regulator's supplementary guidance to account for Covid, accepts basing the statement on the previous year's exercise, which has been done. If accepted, the Assurance Statement will be changed to show approval was at a virtual meeting. There were no questions and the Committee were happy for the Chairperson to sign the statement and make it available to tenants.

9. REPORT ON SERVICE CHARGES

At the previous meeting, a Committee Member asked about an apparent increase in the lifts and alarms element of the charge from £1.70 in 2018/19 to £10.49 in 2019/20. In considering the Report presented, they advised that they were still unsure about the issue. The Housing Manager (HM) then explained that it was saying that this cost had always there but it was now categorised differently. The FSM explained that in the past GHA delivered MSF caretaking and the cost had not been separately identified. WSES have since taken over the service and the contract between WSHA/WSES covers close cleaning, bulk uplift, ground maintenance as well as caretaking. In the past, service elements had been shown separately but, in line with current approaches, Committee had agreed that the rent should appear as one single charge.

The DCE explained that previously, when it was under GHA's remit, we were sent a bill as a third-party contractor and it came under operating costs for 64 Curle Street. GHA were expensive; when we stopped buying the service from GHA we started using WSES, so showed the cost in service charges. It is not an additional cost, it has just moved

categories (and if GHA costs had been shown separately, it would have looked like a reduction). The Committee Member said that was the issue, that on paper it looks like the service charge has gone up considerably and asked where that leaves those tenants with Housing Benefit. The HM clarified that it is covered for claimants of Housing Benefit and Universal Credit. However, the Committee Member said that she had been told that she would not get money for a service charge. Ian Morrison said that by incorporating such charges into the rent, the Association had safeguarded those tenants who get those benefits. The DCE said that they used to be separate and after the GHA transfer in 2011, the service charge and rent were brought together into one amount. She asked the Committee Member if she was being told that these charges were not covered. The Committee Member said yes that they want to see breakdown as housing benefit will not cover service charges. The HM disagreed, that all rent is presented in the same way and said that the only part not covered in benefits is the heating charge. The Committee Member suggested that the Association needed to let tenants know that the charge she queried has always been there, but now just categorised differently. Ian Morrison said he would look at that. Another Committee Member said that she remembered it changing with no one from the benefits agency ever asking her for a breakdown.

The HM clarified that every year he has to present all rent for housing benefit recipients as a single rent charge with no separate service charge, to make sure housing benefit pays the right amount. The only breakdown we provide is for heating charge or furniture packs. The FSM said that if it were not for note 3a in the accounts for rent & service charge, this issue would not have come up. We would not normally be required to breakdown rent (it covers all charges for the service provided) however we are required to differentiate from an accounting point of view. It is a time consuming exercise, having to split out something that has no real value, but we are required to do it. The DCE reminded the Committee Member that if they are being asked difficult questions by the benefits agency, that she should speak with the Welfare Rights staff who should be able to help.

10. **ANY OTHER BUSINESS**

Ian Morrison advised that EVH were hosting a Governing Body Leadership programme via Zoom over 6 sessions – Kirsten would email links and if anyone is interested to let her know. The Association Xmas Festivities will include a staff virtual zoom session, no Christmas lunch but there would be a quiz etc. The Chairperson suggested a donation of £20 per staff member towards food & drink, the Committee agreed and Ian Morrison thanked the Committee.

11. **DATE AND TIME OF NEXT MEETING**

This was scheduled for 16th December 2020.