

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Management Committee meeting held via Video Conferencing on Wednesday 24th February 2021 at 18:00

Present: Pauline Sandford, Chairperson
Maggie Botham, Vice Chairperson
Brian McNally
Brian Moore
Catherine McClymont
Hazel Galbraith
Jacqueline McCutcheon
John Malone
Mary Clarke
Ruth McElhinney
A quorum was achieved.

In Attendance: The Chief Executive Officer (CEO)
The Depute Chief Executive (DCE)
Technical Services Manager (TSM)
Finance Manager (FM)
Elizabeth Miller, Corporate Services Officer (CSO) minute
Olwyn Gaffney, SHARE - Observer

The Chairperson welcomed everyone to the meeting and introduced Olwyn Gaffney from SHARE to Management Committee.

1. Apologies

Apologies were submitted by Agne Zasinaite and Ken Greenshields.

Carmena Nixon and Susanne Crayton are on a leave of absence.

2. Approval of Previous Meeting Minutes & Matters Arising

The minute of the Committee meeting held on 27th January 2021 was checked for accuracy and was approved by the Management Committee.

The minute of the Committee meeting held on 10th February 2021 was checked for accuracy and was approved by the Management Committee.

Matters Arising

There were no matters arising

3. Conflicts of Interests

There were no Conflicts of Interests

4. Notifiable Events

The Chairperson invited the CEO to present the report to Committee. The CEO told Committee that the Scottish Housing Regulator (SHR) has been notified that Committee approved the updated version of the Model Rules on the 10th February 2021 for presentation at a Special General Meeting scheduled to take place on Wednesday the 24th March 2021.

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| i) Committee considered the report and agreed the actions of the Association are satisfactory in relation to Notifiable Events. |
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5. Actions from Previous Meetings

The Chairperson asked the CEO to present the report. The CEO gave Committee an overview of the report and advised he had nothing further to add.

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| i) Committee considered the Actions from Previous Meetings Report and agreed progress was satisfactory. |
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6. Agreement for Items for A.O.C.B

The Chairperson asked Committee if they had any items, they wished to discuss under AOCB:

- a. Brian McInally, EVH Representative
- b. The Chairperson, The Special General Meeting arrangements

Committee agreed to discuss these items under AOCB.

7. Health & Safety

The Chairperson invited the CEO to present the report. The CEO told Committee that all items had been covered in the COVID-19 report.

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| i) Committee noted the verbal report. |
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8. COVID-19 Update

The Chairperson asked the CEO to present the report to Committee. The CEO gave Committee an update on the report and advised he had nothing further to add. Committee discussed:

- Page 11, Reactive/response repairs– The TSM told Committee that level 4 restriction were still in place therefore all non-emergency repairs were still temporarily suspended. She made Committee aware that non-emergency repairs are being logged and will be dealt with, in date order, once level 4 restrictions had been lifted.

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| i) Committee noted the content of the report |
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9. Referrals from Audit & Risk Sub-Committee

9.1 External Auditor Procurement

The Chairperson invited the FM to present the report. The FM told Committee that the procurement of external audit services had been scheduled to take place in March 2020 however due to the COVID-19 pandemic this was cancelled. The FM gave Committee an overview of the report and the draft tender. Committee discussed:

- Page 2, the procurement route -The FM advised Committee that external audit services for RSLs were a specialist market and it is hoped by advertising with Public Contracts Scotland it will attract companies with a knowledge of the social housing sector.
- Procurement thresholds – The FM advised that the anticipated fees to procure external audit services fall below the regulatory procurement thresholds however, by advertising on Public Contracts Scotland CHA were showing a commitment to being open, transparent and seeking value for money.
- Appendix A, Standard Conditions of Contract for the Purchase of Services – The FM agreed to review the document as it makes reference to European Union (EU) laws.

Due to technical difficulties the FM left the meeting at 18:15

The CEO asked Committee if they had any further questions. No further questions were submitted.

- i) Committee approved the proposals for the formal tendering process via Public Contracts Scotland for the procurement of external audit services.
- ii) With amendments Committee approved the draft tender for Provision of External Audit Services (appendix A)
- iii) Committee approved a Quality/Price ration of 70/30 for use in the external audit procurement process.
- iv) Committee agreed the selection of Mary Clarke and the Chairperson to form an External Audit Tender Panel with the CEO and FM.
- v) Committee agreed to grant delegated authority to the tender panel to implement stages 2 and 3 of the procurement processes as detailed in the report.

9.5 Internal Audit Plan

The FM returned to the meeting at 18:20

The Chairperson invited the CEO to present the report. The CEO gave Committee an overview of the report. He gave Committee details of the internal audits carried out in 2020-21 and the audits that would be taking place in 2021-22. Committee discussed:

- CHA's procurement activity – The CEO told Committee that as the procurement policy was being reviewed the Management Team believed that it would not represent good value for money to audit this service until the review had been carried out.
- Tenant Safety Audit – The CEO reminded Committee of the discussion that took place at the Committee meeting held on 25th November 2020 during which

Committee agreed the details of the Tenant Safety Audit, including asbestos management, fire safety and electrical safety.

- i) Committee considered the recommendations from the Audit & Risk Sub-Committee and approved the 2021-22 Internal Audit Plan.

9.2 External Audit Plan

The Chairperson invited the FM to present the report. The FM gave Committee details of the external auditors Audit Plan. She made Committee aware that items for audit in the audit plan cannot be removed however, the external auditor asks Committee to identify other risks they wish to be included in the audit plan.

The Chairperson asked Committee if they had identified other risks, they would like to be included in the audit plan. Committee did not identify other risks they wished to include.

- i) Committee considered the recommendations from the Audit & Risk Sub-Committee and approved the 2020-21 External Audit Plan.

9.3 Annual Treasury Management Strategy

The Chairperson invited the FM to present the report. The FM told Committee that the Annual Treasury Management Strategy report is presented to them annually in line with CHA's Treasury Management Policy. She gave Committee an overview of the report content. Committee discussed:

- CHA's banking and loan arrangements – The FM advised Committee that when CHA was looking to take out loans (pre-2008), they went to the market place to get the best deal. She advised that, at that time, the best interest rates and covenant conditions were with the Royal Bank of Scotland who CHA banked with.
- Risks & reserves – The FM advised that she will be looking to meet with Fettes McDonald of FMD for advice on ways of spreading the risks to CHA.

- i) Committee considered the recommendations from the Audit & Risk Sub-Committee and approved the Treasury Management Strategy for the year to 31 March 2022.

9.4 Loan Portfolio & Covenant Compliance

The Chairperson invited the FM to present the report. The FM gave Committee an overview of the report and advised she had nothing further to add.

- i) Committee noted the content of the report

Comfort Break

The Chairperson advised a comfort break at 18:38 and asked members to resume at 18:45.

10. Expiry of Fixed Rate Loan

The Chairperson asked the FM to present the report to Committee. The FM gave Committee an overview of the report and asked for their views, comments, and questions. Committee discussed:

- Impact on split of the loan portfolio
- The current and longer-term economic climates
- Option of having a variable rate loan for 1 year then reviewing that option after the 1-year period ends.
- Maximum loan terms
- Current interest rates
- National and international events impacting on interest rates.

After the discussion the Chairperson asked Committee for their preferred option. Committee members opted for the 10-year fixed rate option.

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| i) | Committee considered and discussed the content of the report |
| ii) | Committee decided to convert the expiring fixed rate loan to a 10-year fixed rate loan. |
| iii) | Committee granted delegated authority to the FM to inform RBS of Committee's decision and to undertake any necessary procedures to implement the decision with RBS. |

11. Quarterly Management Accounts

The Chairperson invited the FM to present the report to Committee. The FM gave Committee an overview of the report and advised she had nothing further to add. Committee discussed:

- The surplus and budget difference – The FM advised Committee of the reasons for the main variances. She told Committee that COVID-19 has had an impact on CHA's performance against the budget however, this will change once restrictions are lifted and spending on properties resumes.

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| i) | Committee approved the Management Accounts for the period to 31 December 2020. |
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12. Final Budget for the year ending 31 March 2022

The Chairperson asked the FM to present the report to Committee. The FM advised that the budget presented in the report reflected the final budget approved by Committee and the rent increase of 1% (CPI + 0.5%).

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| i) | Committee approved the Final Budget for the year to 31 March 2022, |
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13. Procurement Review Proposals

The Chairperson asked the TSM to present the report to Committee. The TSM gave Committee an overview of the report focusing on:

- The Corporate Procurement Policy review
- Value for money, tendering and bulk procurement and the benefits this will have to CHA tenants
- An increase in in-house knowledge
- Social responsibility clauses in contracts

Committee discussed:

- The consultancy fee – The TSM advised the costs involved, she made Committee aware of the benefits of having this resource and the impact this will have on areas such as the long term planned maintenance cycle and the increase in knowledge CHA will have on the market place.

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| i) Committee considered the information noted in the report and agreed that it was sufficient to approve the appointment of Gold Consultancy for the procurement review. |
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14 Technical Services Recruitment Update

The Chairperson asked the TSM to present the report to Committee. The TSM informed Committee of the current situation within the Technical Services Team and the proposed temporary recruitment proposals.

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| i) Committee agreed there was sufficient information to consider the proposal. |
| ii) Committee granted delegated authority to the TSM and CEO to recruit for two temporary Technical Services posts as outlined in the report. |

15 Committee Appraisal Training 3 March 2021

The Chairperson asked the CEO to present the report to Committee. The CEO gave Committee an overview of the report and advised he had nothing further to add.

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| i) Committee members agreed to attend the annual Committee Appraisal training session on Wednesday the 3 rd March 2021 at 6pm. |
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Olwyn Gaffney, the DCE, FM and TSM left the meeting at 19:25.

16. AOCB

- a. Brian McNally, gave Committee details of his role and responsibilities as CHA's EVH representative.

- b. The Chairperson reminded Committee that the Special General Meeting was taking place on Wednesday the 24th March 2021. She made Committee aware of the arrangements for the event and asked them to contact the CSO regarding their attendance at the event.

The Chairperson thanked everyone for attending and the meeting ended at 19:40