

## **PARAGON HOUSING ASSOCIATION LIMITED**

Minutes of Management Committee Meeting

Hybrid - Paragon Office / Online

29<sup>th</sup> March 2023

Present: A Anderson  
R Murray  
M Richards  
F Wallace  
C Munro (co-optee)  
F Speirs (Part meeting)

Staff: M Torrance  
W Baxter  
E Mathershaw  
M Thompson (on line)

### **GOVERNANCE / MINUTES ETC**

#### **1. APOLOGIES**

E Campbell (SLA)  
E McNie  
K Menzies  
J Anderson  
B Lees  
S Robertson (co-optee)  
M Binnie (staff)

#### **2. GOVERNANCE ITEMS**

It was noted that this is a restricted agenda focussing on budget setting.

**Attendance Register** – no issues

**Payment, Benefit, Entitlements** – noted that investment works being carried out in the home of E McNie, Tenant Committee Member as part of planned programme.

**SHR/ Notifiable Events** – noted recorded matters and there was a general discussion on notifiable events. SHR due to publish engagement plans at end of March.

M Torrance reported that the HM Team has been awarded the Happy to Translate “Team of the Year” award. Members offered congratulations. Further details will follow.

**2a. Minutes of Previous Meeting – 8<sup>th</sup> February 2023**

There were no amendments to the minutes.

Proposed: R Murray

Seconded: M Richards

***Minutes Approved.***

**2b. Matters Arising**

Feedback was provided by delegates attending the SHARE Conference. M Torrance gave a summary of the presentation she had given regarding staff wellbeing support. There is a lot of activity in the sector around this area and our practices compare well with other.

**3. BUSINESS ITEMS**

**3a. Budget 2023/24**

Budget papers had been issued in advance of the meeting and M Thompson gave a presentation at the meeting of the key points. She explained that the starting point had been discussions earlier in the year around the rent increase. Various projections had been made at the time. She explained that the budget covers income and expenditure for the year ahead and how it has to be set to ensure covenant compliance. The paper had been prepared in conjunction with Management Team and by looking at Management Accounts.

The budget is based on projected stock figures of 1445 units and rental income of £6.674 million. There are prudent assumptions in the budget eg 5% voids and bad debts given prevailing economic circumstances. Has assumed similar factoring income to current year.

Fiona Speirs joined the meeting.

The various grant schemes were noted and the income had been gratefully received to deliver the various tenancy support schemes.

Noted that the average gross rent is £4611 pa.

Management costs are budgeted at £2.267 million and these incorporate the recent EVH salary increase of 5.25% and any increments payable. Some agency costs have been included eg to cover sickness absences and

account taken of maternity leave in the year. Provision made for ongoing wellbeing support to staff .

Noted that there had been some savings on past service deficit regarding pensions. Work on pension consultation continues.

She explained that the current situation is very difficult but the aim of the budget was to make prudent assumptions and avoid service cuts. There had been a lot of discussion as part of the rent paper on the investment programme options.

Repair costs remain difficult to predict. It was noted that there is currently an IA underway and Value For Money (VFM) is being looked at. Noted change of contractor in the year and different costing methods now in use. Have used a 15% uplift on forecast.

W Baxter provided an update on the progress of the JRW contract. Evidence that fewer recalls with new contractor. He has emphasised the need to for quality to trades. There are issues throughout the sector around recruitment and retention. The service will go to tender 2024 so important to review how to get best VFM.

It was noted that £200k for planned maintenance carry forward has been allowed. Noted increases in tender costs.

The capital budget allows for 5 BBOOM acquisitions. The proposed development project with Link has not been included as no binding agreement at this time but this will be revisited when project progresses.

The loan covenants have been reviewed and comply.

There was a discussion on business planning impact of budget and rent increase. Treasury Management strategy requires to be reviewed as refinancing dates for one facility is in 2025 so prudent to start preparing now. There are a number of potential options.

Noted that rent increases has been lower than inflation over last 3 years. Information had been circulated from SHR survey on increases to be applied in the sector for 2023/24. PHA increase of 4% is lower than RSL average. Rent harmonisation exercise will be progressed given end of rent freeze proposals at this time by Scottish Government.

Noted that still no clear targets re ESSHH 2 and Net Carbon Zero. However Progressing with a number of projects to improve energy efficiency and lower carbon emissions.

There was a discussion around risks. The risk of not being able to deliver the planned expenditure was highlighted eg costs, labour etc. There are a number of uncertainties around costs and the cost of living impacting on ability to pay. Increasing cyber crime has meant that provision has been increased eg cyber essentials plus accreditation.

E Mathershaw provided an update on arrears. While these are increasing the performance was anticipated to be better than predicted. She explained the efforts that tenants are making to keep up with payments and the approach taken by officers to help tenancy sustainment. Noted uplift in costs of HoME project and allowance of £20k for further support around the cost of living. Will continue to pursue external funding opportunities.

W Baxter covered the health and safety framework and that this has been accounted for in the budget. H&S Stock Committee are looking at a H&S budget report so members can clearly see the expenditure on this.

W Baxter advised that an opportunity had come up to purchase the small road to the rear of the office to ensure continuing access. The cost is below the level required for Management Committee approval however he was keen to hear views. Members agreed to pursue this purchase.

**The budget was approved.**

### 3b Write Offs

The bad debt write off paper was presented by E Mathershaw. Noted proposal higher than year before but in line with past trends. She explained that the policy is to wait till year end then review balances at that point and consider write off. Although a debt may be written off it can still be collected if contact made or trace. This can happen when former tenant applies for social housing.

**It was agreed that the credit write offs be considered and approved at the May F&GP Sub Committee meeting.**

There were questions around the reasons for Write Offs. Noted the build up of some debts as a result of the legislation around covid legal action protections. One debt over £4k. Appears bankruptcy route being used less frequently.

**The Write Off paper was approved.**

### 3c Extension Gas Maintenance Contract

A paper had been issued with the background together with a VFM exercise carried out by a consultant QS. W Baxter took members through the paper and the Procurement Policy.

The current contractor is performing well. The service is subject to a technical audit of standards of work and internal audit on an annual basis in regard to compliance with the regulations.

There is no uplift in rates as previously agreed November 2022. The proposal is to extend by 1 year and this will bring it in line with the JRW

contract. The QS advises that the BCIS Index and general inflation over the period from the start of the contract is 27.14% and the cumulative increase in the costs of the contract is 14.42% and therefore is VFM.

Members asked if there any issues with availability of components at this time. The arrangements in place to ensure supply were noted.

**It was agreed to extend the contract with CTS by 1 year on this basis.**

Noted that SPA framework and / or similar such as Scot Excel procurement route may be suitable for next round of procurement gas /JRW works.

### 3d. **CCTV Policy**

A paper had been issued to set out the background and requirements around CCTV use. The policy had been prepared from Data Protection Officer Template. It was noted that this only affects use of CCTV by the Association. If tenants and other residents using CCTV they will require to ensure their compliance with the legal requirements.

E Mathershaw explained that it would only be used in specific circumstances. A Facebook post will be made to remind residents of their obligations if fitting CCTV.

**Members approved the CCTV policy.**

## 4. **ANY OTHER BUSINESS**

- Donations
  - it was agreed that £500 be set aside for donations to partner organisations to celebrate the 25<sup>th</sup> Anniversary of the Association
  - It was agreed that senior staff decide on the beneficiaries and amounts
  - M Richards declared his interest as being a Board Member on Grangemouth Community Pantry as it is a potential beneficiary
- H&S
  - E Mathershaw advised that Scottish Fire and Rescue Service are offering a training session on fire safety in the home at their training centre and members are invited. F Wallace advised of her interest
- Training and Conferences
  - It was agreed that F Wallace and A Anderson will attend EVH Conference in May
  - SFHA Conference is in June and it was agreed that F Wallace and A Anderson will attend. Other members are interested and will advise if they can attend and places will be booked.

## 5. DATE OF NEXT MEETING

The next meeting will be the strategy meeting to be held on Wednesday 19<sup>th</sup> April 2023.

<b>Signed: Chairperson</b>	
<b>Date:</b>	