

PARAGON HOUSING ASSOCIATION LIMITED
Minutes of Management Committee meeting
Hybrid Meeting
28 August 2024

Present: A Anderson
J Anderson (online)
E Campbell
S Gilbert
B Lees (online)
D McLean (online)
L McNally (online)
M Richards
J O'Meara

Staff: M Torrance
E Mathershaw
M Thompson
W Baxter
M Binnie

Observer: D Boyak

Guest: Chris Docherty, RSM UK Audit LLP (online)
Calum Alexander, RSM UK Audit LLP (online)

A motion to suspend Standing Orders was carried to allow item 5a to be taken out of order from the agenda.

5a. Annual Financial Statements

M Thompson welcomed C Docherty and C Alexander of RSM to the meeting to present the annual accounts and final audit findings report.

The updated copy of the audited financial report was tabled at the meeting as the copy previously circulated did not include the management response.

Chris advised that the audit was complete and the audit opinion was an unqualified opinion which means it was a clean report.

There were no areas of major concern and they were satisfied with accounts. A robust audit was carried out.

Chris had presented the findings to the audit sub committee in detail.

The risks identified in the audit plan are relevant to the sector and the recommendations noted.

FRS12 will be revised in future years which will affect SORP.

There were no questions.

A Anderson thanked the RSM team for all their work during the audit and noted it gives the management committee assurance.

M Torrance advised that as part of the management response there is some tidy up to automated procedures to be done.

Committee members approved the annual accounts 2023/24.

Note – C Docherty and C Alexander left the meeting.

GOVERNANCE / MINUTES ETC

1. APOLOGIES

K Menzies
E McNie

2. COMPOSITION OF COMMITTEE

Noted D McLean officially a management committee member from today. He was going to join as a co-opted member but as there is now a casual vacancy we will move his membership to this to allow him to form part of quorum.

3. MANAGEMENT COMMITTEE CALENDAR

No changes.

4. GOVERNANCE ITEMS

Attendance register – J Anderson returned.

Membership Application

In accordance with the Association's Rules there was 1 new membership application considered for approval (details noted on membership paper).

The membership was approved. The use of the seal was approved by the Management Committee

Membership Cancellation

In accordance with the Association's Rules there was 2 memberships considered for cancellation (details noted on membership paper).

Condolences were noted for both members who were good supporters of the Association.

Membership cancellation noted/approved.

Total number of members – 126

Payment, Benefit and Entitlement – M Torrance declared an interest and left the meeting. E Mathershaw advised that a friend of M Torrance has applied to the association for housing. This is for noting only at this stage as no offer has been made. The details were noted on the form. M Torrance returned to the meeting.

4a. Minutes of Previous Meeting – 20 June 2024

There were no amendments to the minutes.

Proposed: M Richards

Seconded: S Gilbert

Minutes Approved.

4b. Matters Arising

All covered in agenda.

5. BUSINESS ITEMS

5b. Annual Risk Review

M Torrance took members through the annual risk review presentation.

The audit sub committee annually review the risk register and produce a quarterly report on what is happening with risks

The management of risk is the responsibility of management committee.

The review covers looking at risks affecting your business covering Finance, H&S, governance, reputation and looks at what might go wrong, how often and if we can modify, transfer, eliminate, or accept the risks.

There was discussion on the insurance market for social housing with brokers pulling out of the market and the high uplifts in premiums.

The SHR has sectorial risks they advise the sector if and can carry out thematic inspections on the risks.

There will be an IT internal audit later in year.

There was a suggestion of making the risk register a live document available for all staff.

HAG3 funding for medical adaptations - we would usually be advised in May/June what level of grant we have been offered but there has still been no announcement made. There was discussion on the impact this has on our tenants and the association. Our own minor adaptation budget is £3k. We would not be able to use our own budget for medical adaptations because that is not the purpose of our loan.

It was agreed to adding the medical adaptations issue as a specific risk on the register.

Committee members approve the annual risk review.

5c. Annual Fraud Risk Review

This review looks specifically at fraud.

There is nothing new to add and the audit sub committee were satisfied with the key risks.

Committee members approve the annual fraud risk review.

The recommendations will be updated.

5d. KPIs Q1 2024-25

E Mathershaw advised that we can only now start to bring in benchmarking onto the KPI report.

The HM&I sub committee reviewed the quarter's performance reports.

5e. AGM / Elections

We currently have 11 management committee members.

3 members are co-opted or filling a casual vacancy – these members will need to retire

Of the remaining 8 member a third need to retire – this means 3 members need to retire.

The longest serving members are:

B Lees

A Anderson

J Anderson

M Richards

Committee members agreed the following members would retire and stand for re-election:

B Lees

A Anderson

M Richards

A Anderson has been Chair for 1 year.

The AGM timetable was noted.

6. FINANCE & GENERAL SUB COMMITTEE

6a. Finance & General Sub Committee

The draft minutes of the meeting held on 22nd August were tabled.

6b. Management Accounts Q1 2024-25

M Thompson went through a presentation on the management accounts.

The planned maintenance annual budget is £1,394.715 and the 1st quarter was £936,506. It was questioned why this figure for Q1 is high and it was explained that some of this money will be need to be capitalised. It is not a concern at this time as it is to do with timing. The external auditor looks at what we capitilise.

6c. Treasury Management – Refinancing Timeline

The report is for information only at this time to make committee members aware of refinancing as this is a key business area/risk.

The current facility with RBS is due to come to an end in Dec 2025. We have the option to pay off or refinance.

Alia has provided us with a plan of what we need to do and a timeline. The full process will take around 6 months.

Alia has provided possible options for us to consider which include dealing with RBS directly to refinance, carry out a full tender exercise inhouse or appoint someone to carry out the exercise on our behalf.

There will be no breakage cost with RBS if we refinance earlier than December 2025.

M Torrance explained the process when we refinanced in 2015 through a tender exercise which RSM had assisted on.

A full revaluation would be carried out of our stock.

We have unencumbered stock which means we have some stock that is not used as assets against current loans.

This item is on the agenda early so we can plan ahead. M Torrance and M Thompson are working on timeline.

6d. Equalities Update

Training has been ongoing.

A fuller was provided to the F&GP sub committee meeting and details are in the minutes.

6e. Quarterly Reports

The reports were uploaded and considered at the meeting.

Note – B Lees left the meeting

7. HOUSING MANAGEMENT & INVESTMENT

7a. Housing Management & Investment

The draft minutes of the meeting held on 8th July were tabled.

7b. Arrears / Voids / Repairs

Right First Time is on average 95/96%. This is a significant increase on last year.

Repair satisfaction is lower than we would like but we are reviewing negative comments and will visit tenants to find out more in depth what went wrong so we can learn.

Damp, Mould and Condensation – work on going on monitoring and Reporting and we are taking a wider approach, not just a repairs issue.

We can arrange a visit with our Energy Advisor to assist with tips and access to funding to assist tenants.

E Mathershaw provided information on a complex case study which showed varying issues a tenant was experiencing and how an integrated approach helped.

7c. Programme Report

W Baxter provided commentary to the report.

Investment Programme

- The tender report for boilers was pulled due to high costs which may be due to the government levy – costs to be reviewed.
- Painterwork (Hillfoots & Falkirk) - tender for painterwork – Oct remeasuring all painterwork with QS – owner occupiers involved
- Planned Maintenance – runs parallel with painterwork and surveys being Completed at same time
- Electrical Works – 10 properties remain outstanding due to access issues. These properties 10 outstanding PIRO Cabling in concrete beams
- EICR – good progress
- Roofing & Rendering – Tillicoultry athol steel properties – we do not own one block outright therefore owners are involved. Talking to other housing associations to see how they are dealing with it.
- Fire doors – received consultant's report which will now be analyzed. May leave contract until last quarter
- Kitchen contract – between 200 – 240 properties have been completed this year and the contract is generally going well.
- Communal storage tanks – there are 7 blocks identified where tanks are suitable for converting from storage tanks to rising mains. Consultation with owners to be carried out.

Development Programme

- BBOOM – funding for 5 properties. Noted we are limited to what we can offer and are losing out on some properties due to this.
- Two developments ongoing – Commissioner Street, Bo'ness and Westquarter.

Gas Servicing – no failures

Medical adaptations – await outcome of HAG3 application. We currently have over £80k worth of medical adaptation requests received. Our own minor adaptations budget has over £500 left.

Insurance claims – stay open for 5 yrs so remain on the report. 1 fire damage claim live.

EICR report – runs in 5yr cycle when we changed from 10yrs to 5yrs. We had to accelerate in yr1 and 2 but have now streamlined over the next 5yrs.

Finance report – to note – low spend to date but programme is picking up.

7d. Energy Action Scotland / Octopus Energy Project

The Association was invited by EAS to participate in the project to assist vulnerable households.

We are 1 of 8 housing associations in Scotland to participate in project.

We will identify properties for damp, mould and condensation sensors. We may look to pilot in one area where there are 89 tenancies. This area falls within the bottom 10 SIMD. Other properties will be chosen at random that show signs of DMC or properties that don't have gas

The Bell Group also has a training scheme for tenants.

The Association has also been offered the opportunity to put a staff member on a City & Guilds Level 3 in Energy Awareness course as part of the funding.

8. COST PLAN / TENDER APPROVALS

Mid Cycle Gutter Cleaning - Year 2 – Falkirk/Denny (216 properties including 11 flatted multi-tenure blocks)

The tender report was tabled.

W Baxter took members through the report.

Part of the 6yr painterwork programme includes gutter cleaning on year 3. However this element has been accelerated to deal with the substantial growth/debris being experienced at our properties.

A full measure of the areas planned for painterwork is currently underway.

Committee members approved the recommendation for acceptance of the offer by Bell Decorating Group.

Kitchen & Sanitaryware (Bathroom) Replacements Various Sites throughout stock (98 properties)

The Sanitaryware was originally procured with a kitchen contract and approved in January 2024. The proposed sanitaryware (bathroom) works are being called off from the current framework.

There are 5 properties included on the medical adaptation waiting list and given we have not received notification from the Scottish Government on our HAG3 application it is proposed to include these 5 properties as part of this programme as the design can incorporate requirements.

Note – B Lees re-joined the meeting

There are no tenant committee members affected by this contract.

Committee members approve the recommendation to accept the offer submitted by Everwarm.

9. AUDIT COMMITTEE

9a. Audit Committee

The draft minutes of the meeting held on 19th August were loaded prior to the meeting and hard copies tabled.

Audit was main topic of the meeting with attendance from both external and internal auditors.

9b. Internal Audit Update

The audit committee has reviewed the internal audit reports and they have been uploaded for everyone to review.

Gas safety audit has been graded good.

ARC indicator – Right first time had been audited with a satisfactory report with a couple of recommendations on procedures.

Follow up review – some recommendation have been completed with other carried forward.

From an assurance point of view it was suggested that all committee members should review the annual report.

10. HEALTH & SAFETY

10a. H&S Workplace Committee

The next meeting is scheduled for Wednesday 11th September.

10b. H&S Stock Sub Committee

The next meeting is scheduled for Wednesday 11th September.

The Tenant H&S Handbook was launched at the Clackmannanshire Community Carnival. The handbook will feature at AGM.

At the AGM we will giveaway torches in light of number of candle related fires and remind tenants of importance of contents insurance.

10c. STEPS Group Update

The group last met on 23rd August. It was a productive meeting with feedback provided to the group from the latest staff wellbeing surveys and the group reviewed the draft staff flexible working policy.

11. REGULATORY ISSUES

11a. Five Year Financial Plan

An update to the FYFP was noted.

12. POLICY ISSUES

12a. Settlement Agreement Policy

M Torrance advised that EVH issues a standard policy which we can adapt.

There is a cap on what you can provide.

Management committee would need to approve the amount and any instance of a settlement agreement would be a notifiable event to the SHR.

There has been a change of wording around level of settlement

This was discussed at the last F&GP sub committee meeting.

The policy will be updated and brought to the next meeting.

12b. Draft Factoring Debt Recover Policy

E Mathershaw advised that the draft policy is for approval for consultation at this stage.

This draft policy outlines how owners arrears will be managed and debts recovered.

Owner debt currently stands at around £102k. Reminders were recently sent to over 300 owners which has brought in around £10k in outstanding charges.

There was discussion on contractors and residents parking on pavements. We will remind our contractors not to park on pavements/grass verges.

We will look to issue information to local solicitors to tell them our estates.

13. STRATEGY, POLICY & RESEARCH DEVELOPMENTS

13a. Grangemouth Housing Masterplan

Falkirk Strategic meeting due to be held soon.

13b. Clackmannanshire Wellbeing Economy Anchor Partnership

No update

14. TRAINING / INFORMATION

14a. Training Plans / Appraisals

M Torrance thanked committee members for completing their appraisals.

M Torrance and A Anderson met to discuss the outcomes of the appraisals and produced the chart circulated to members to show a summary of findings. An action plan will be produced.

The summary report on the Director’s appraisal – the committee need to be satisfied that the right staff are in place.

14b. Conference & Training Schedule

SFHA Governance Conference – Wednesday 11th September – A Anderson would like to be booked on this.

SFHA Factoring Conference – E Mathershaw attending. S Gilbert would like to be booked to attend this.

15. ANY OTHER BUSINESS

J Anderson advised that the TIS excellence awards are soon.

J Anderson has sent M Torrance and E Mathershaw details of AGE Scotland funding panel for dementia community centres.

J Anderson noted that the Clackmannanshire Community event was very successful and very well attended but felt it was a missed opportunity to do tenant participation promotion with a targeted audience. This will be addressed next year.

M Richards noted condolences on the passing of M Hesketh who will be a loss to the community. Note tribute planned.

DATE OF NEXT MEETING

The AGM will be held on Wednesday 25th September.

The next management committee meeting is planned for Wednesday 23rd October. Time TBC.

Signed: Chairperson	
Date:	