

HJALTLAND HOUSING ASSOCIATION LTD

MINUTES OF A MEETING OF THE MANAGEMENT COMMITTEE (Operations) HELD AT HJALTLAND OFFICES – 6 NORTH NESS AND VIA ZOOM ON THURSDAY 22nd February 2024 AT 6.00 P.M.

Present: Colin Nicholson (**CN**) (Chair)
Agnes Tallack (**AT**) – via ZOOM
Andrew Lyall (**AL**)
Lorna Willis (**LW**)
Lucy Lawson (**LL**) – via ZOOM
Neil Manson (**NM**)

In Attendance: Bryan Leask (**BL**) (Chief Executive)
Paul Leask (**PL**) (Head of Investment & Asset Management)
Susan Gray (**SG**) (Head of Finance & Corporate Services)
Mark Henry (**MH**) (Housing Admin Assistant)

1 APOLOGIES

Apologies were received from Bob McGeady, Emma Perring, Jeff Goddard, Karen Eunson, Pam Shead, Jim Anderson and Theo Smith.

2 DECLARATION OF INTEREST

The Chair asked for any declarations of conflict of interest in the evening's business, there were no declarations made.

3 APPROVAL OF MINUTES

3.1 Management Committee Meeting 23rd November 2023

CN went through the minutes of the previous meeting in December, there were no issues with the minutes, so Members **APPROVED** the minutes of the Committee meeting held on 14th December on a motion by AT seconded by NM.

APPROVED

3.2 Finance Sub-committee Meeting 7th February 2024

CN then went through the minutes of the Finance Sub-committee meeting, held earlier in the month.

Again, there were no issues with the minutes, so Members **APPROVED** the minutes of the Finance Sub-committee meeting held on 7th February on a motion by LL, seconded by NM.

APPROVED

4 MATTERS ARISING

There were no matters arising from the previous minutes.

5 ADMINISTRATION

5.1 Use of Seal

There has been one use of the seal during the reporting period:

1. Share Certificate 223 issued.

Members **NOTED** the report.

NOTED

5.2 Health & Safety Report

BL began by providing Members with an update on health and safety, and assurance in the Associations activities for health and safety for December 2023 and January 2024. BL commented that the Scottish Housing Regulator (SHR) was going down the direction that tenant health & safety was going to be very important

going forward, but the report itself has quite a lot of information on tenant health & safety. Some highlights of the report included:

- 2023-24 Objectives from Health & Safety Risk Strategy showing up to date and ongoing.
- Guidance accompanying the Health and Safety (First Aid) Regulations 1981 has been updated to emphasise employer's responsibilities to take account of employees' mental health in their first aid needs assessment.
- SFHS have shared Awaabs Law is in consultation in England and their feelings are that it is likely that Scotland will produce their own consultation, but it's highly likely it will copy key areas, including timings. This is to do with damp and mould in properties.
- SFHA (Scottish Federation of Housing Associations) have shared the Scottish Building Safety Levy that is in consultation and closes on 19/02/2024.
- The Risk register has an inherent risk rating of 10, a residual risk rating of 5 and the assurance strength is substantial.
- Mould and damp, we have introduced a risk-based approach for all properties and particular types of tenants. Tenant education on the advantages of MVHR (Mechanical Ventilation with Heat Recovery) units was a priority.

After some discussion, Members **NOTED** the report.

NOTED

5.3 Rent Setting Report

BL then went on to provide Members with the feedback from the rent consultation, commenting that in total, there were 51 returns received, a significant decrease on the rent consultation exercise completed in January 2023 (145 in 2023). With no binary option within the consultation, but a request for comments only, there was an understanding this may elicit fewer returns. However, most importantly, all tenants have been provided an opportunity to comment, nonetheless.

BL continued by informing the Committee that eleven individual households raised some concerns about affordability and requested support from our Financial Inclusion Officer. This equates to 20% of all respondents and 1.2% of our tenant population. Of the comments received, 18 had been positive and 24 negative, however any tenants who had left contact info, have been approached to discuss any support the Association might be able to provide. With regards to our peer group, the majority of organisations have gone with a higher than 6% rise.

BL then went on to say that when last surveyed 86% of tenants thought that rent for their property represents good or very good value for money, with the national average being 82%. Over 91% of tenants are satisfied or very satisfied with the overall services that the Association provides, with the national average being 87%.

AT commented that maybe the Association would need to address comments about older properties and energy efficiency issues. BL replied that this would be in the Asset Management Strategy with what the Association planned to do going forward with the older stock. Pilot schemes like the retro-fitting of properties in Thistle Court, to make them more energy efficient would be examples of what could be achieved.

After some further discussion, Members **APPROVED** the Rent Setting for 2024/25 on a motion by AL, seconded by NM.

APPROVED

5.4 5.4.1 Business Plan - Staffing Plan

Before the next three items were discussed, CN asked Members if they would like to approve each individual item or approve all three at the same time. Members agreed to go through the items and approve them all together.

BL began Item 5.4 by presenting Members with the Staffing Plan for inclusion in the Business Plan, commenting that there was nothing indicating that any extra staff would be required over the period.

After some discussion within each Item, the Staffing Plan, the Budget (Assumptions) and the Lettings Plan were all **APPROVED** to go in the Business Plan on a motion by AL, seconded by NM.

APPROVED

5.4.2 Business Plan - Budget (Assumptions)

BL went on by providing the Committee with the Budget Assumptions for inclusion in the BP, explaining that these figures were used to build up the budget over the lifespan of the BP and had already been discussed at the Finance Sub-committee meeting earlier in the month.

NM voiced some concern over the ability of local construction companies being able to provide enough provision and that the assumptions were a best estimate and probably on the pessimistic side, which he felt was a good thing. SG finished off the discussion by informing Members that the only assumption that had changed slightly from the beginning of the month was the salary increase. It was expected that an announcement would be made that an agreement of a 5.5% increase had been reached. However, the unions had balloted their members, with a recommendation to reject the offer. The ballot came back with 96% in favour of rejecting the offer, so negotiations would now have to go through ACAS. SG commented that senior managers had decided to leave 5.5% in the budget for now.

Previously **APPROVED** in 5.4.1.

APPROVED

5.4.3 Business Plan – Lettings Plan

BL finished up the Business Plan section, providing the Committee with a report on the proposed Lettings Plan targets for 2024-25 to be included in the BP. BL began by commenting that there were currently 635 live applications on the system, with 195 of those being Hjaltland or SIC tenants. The target of 50% SIC nomination – 50% Hjaltland allocation was slightly above, currently sitting at 51% SIC nomination. Senior managers were looking to retain the current targets for the coming year, but there have been discussions with staff, with perhaps looking to allocate 100% of new build properties to current Hjaltland tenants. This is a system run by a few organisations within the peer group, but senior managers were not looking to push that just yet.

Previously **APPROVED** in 5.4.1.

APPROVED

5.5 DRAFT Standing Orders (Admin/Committee)

BL finished by providing the Management Committee with the final review of the Sub Committees structure of meetings and updated Standing Orders to help to strengthen support through the introduction of a new Audit and Risk Sub Committee. BL began by commenting that a review of Standing orders was agreed as part of the governance framework which is set up in order to comply with Regulatory Standards. Standing orders were discussed at the meeting on 14th December 2023, when Management Committee approved the restructuring of the Sub Committees, after noting the Management Committee skills audits recommendations. BL finished by saying that this was just a draft as the Standing Orders can only be changed once every 12 months, senior managers would take the presented Orders up for approval at the March Committee meeting.

NM queried that there should be more Audit & Risk Sub-committee meetings, BL responded by informing Members that there would be an extra meeting in January, which wasn't on the current timetable. LL finished the discussion by commenting

that there were going to be possible crossovers between the sub-committees with the internal and external audit reports, but this was unavoidable.
After this discussion, Members **NOTED** the report.

NOTED

5.6 Procurement Policy

PL took over and provided Members with an updated Procurement Policy, commenting that there were minor updates to the Public Contract (Scotland) Regulations thresholds, which have been updated in January and an addition to promote “Fair Work First” practices, which the Association has signed up to. After a brief discussion, the updated Procurement Policy was **APPROVED** on a motion by NM, seconded by AL.

APPROVED

6 INVESTMENT & ASSET MANAGEMENT

6.1 Development Report

PL continued on by presenting the Committee with an update on the progress of the Associations new build development programme. *Specific information in this section has been removed as it has been deemed to be commercially sensitive and is therefore, not available to the public at this time.*

After some discussion, Members **NOTED** the report.

NOTED

6.2 Staneyhill Update Report

PL finished this section of the agenda by giving Members an update on the Staneyhill development. *Specific information in this section has been removed as it has been deemed to be commercially sensitive and is therefore, not available to the public at this time.*

After some discussion, Members **NOTED** the report.

NOTED

7 FINANCE & CORPORATE SERVICES

7.1 Management Accounts 31st December 2023

SG rounded off the meeting by presenting the Committee with the Association’s accounts up to the end of the previous calendar year. SG began by informing Members that budgets have started to firm up, with cashflow ahead of budget due to the drawdown of funding in advance and it would be into next year before this started to unwind. Income and expenditure are also slightly ahead of budget, this could well drop though, depending on the level of interest charges in the final quarter.

SG continued by informing Members that day-to-day maintenance was slightly over budget, this was down to more than expected relet repairs, with more than normal properties coming back below standard.

SG then went on to comment that Lifecycle repairs, staffing and overheads are all within budget, with all Covenant Compliance indicators currently green, so no particular concern with those.

Specific information in this section has been removed as it has been deemed to be commercially sensitive and is therefore, not available to the public at this time.

After some discussion, with NM commenting that the accounts were in a good place now, considering the situation with interest rates and the cost of living crisis, Members **NOTED** the report.

NOTED

8 AOB

There was no AOB.

9 DATES FOR YOUR DIARY

9.1 Finance Sub-committee – Wednesday 6th March 2024 @ 1pm

9.2 Management Committee – Thursday 28th March 2024 @ 6pm

9.3 Audit & Risk Sub-committee – Thursday 18th April 2024 @ 5:30pm

The meeting closed at 7:35pm

.....Chairman