



Minutes of the Meeting with Management Committee held on **Tuesday 27 August 2024 at 6.00pm** via in person & via Zoom at CentrePoint

Minutes

Present:	Craig Callan - Acting Chair (CC)	Heather Laing (HL)	Przemek Jozwik (PJ)
	Colette Rooney (CR)	Blanche McGinn (BMG)	Sandra Rodger (SR)
	Patryk Topolski (PT)		
In Attendance	Paul Lennon, Director (PL)	Elaine Hyslop, Housing Manager (EH)	Paul Murphy, Senior Corporate Services Officer (PM)
	Richard Bolton, Senior Community Development Officer (RB)		

	Agenda Item	Action
	Welcome and Apologies	
1.	<p>Committee members nominated Craig Callan to Chair the meeting in the absence of the Chair & the Vice Chair.</p> <p>CC welcomed everyone to the meeting and thanked committee members for attending.</p> <p>Apologies were NOTED for Victoria Dallas, Grant Kennedy, Craig Anderson and Clark Davidson.</p>	PM to update register.
	Declarations of Interest	
2.	<p>BMG declared an interest in agenda item 13.</p> <p>SR declared an interest in agenda item 19.</p>	
	Minutes of Previous Meeting held on 18 June 2024 (Issued in advance to committee)	
3.	Proposed Sandra Rodger Seconded Heather Laing	
	Matters Arising	
4.	PL went through the matters arising schedule from the previous meeting with committee.	

	Ethical Conduct and Notifiable Events	
5.	<p>PL spoke to the report provided in the papers on the Notifiable Event for breach of financial covenant, that being "Operating Surplus Ratio".</p> <p>He was asked a number of questions by committee members. These included:</p> <p>How did the breach come about could it have been identified earlier?</p> <p>PL advised committee that the breach arose based on the covenant calculation set in the loan agreement with Virgin Money, previously Clydesdale Bank and that the year 2023/24 showed a number of factors that contributed to the breach, including interest rates, IT charge increases from moving to the cloud and an exercise needing done where Garrion owed Forgewood Housing Co-op some additional costs, most carried out in quarter 4. There were also some additional one-off management costs discussed and committee were advised that the majority of the reasons would not be envisaged to happen again going forward. He also reassured committee on the first set of quarter accounts for 2024-25 that it was showing a surplus and meeting the same covenant and that staff would be extremely vigilant going forward on such issues.</p> <p>Who from the co-op is involved in the bank returns?</p> <p>PL responded by saying that since Craig Anderson joined over a year ago, he has been a huge asset to the co-op and has been doing many things that were the responsibility of Clark Davidson. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>PL also apologised to committee that the event was not raised earlier but could and should have, particularly with the bank being relaxed and waiting on annual accounts, this was clearly a potential breach and SHR should have been notified. He went on to state that at the end of May, Virgin Money had contacted the co-op after they had checked the quarter 4 management accounts to 31 March 2024 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] PL advised that it should have been raised as a potential breach as soon as we were aware that there could have been one and went on to say we would be learning from this event. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	

	<p>How have the regulator received this and what's their view? PL confirmed he raised the notifiable event last week and should be discussing it further with the regulation manager or finance regulation manager any time soon. The notifiable event and email to the SHR was similar to the report that went to committee with the papers.</p> <p>What have the bank been saying/doing about it? PL advised that the relationship manager with the bank was very relaxed about the issue, further stating they would see how the things looked when the annual accounts had been sent to them.</p> <p>How do we ensure that this gets sorted without delay and report that in the annual accounts? PL advised committee that the next step was to seek a waiver for the covenant breach and that was already done at a meeting with Virgin Bank on 15 August, attended by PL and Craig Anderson. Both relationship managers in attendance again appeared to be quite calm about the issue and initial feedback was that we should receive a waiver but the credit team at VM would make that decision. PL advised committee that while this was good news, it would regrettably incur a fee and that, along with other issues that arose, will help form a lessons learned report once the notifiable event is closed off. He also advised the SHR that this would be done.</p> <p>PL went on to say he had already advised Victoria Dallas, Chair, of the breach as she was on holiday at the time of tonight's meeting.</p> <p>There were no more questions raised but PL stated he would advise committee immediately of any update on SHR correspondence and decision on the waiver from the bank.</p> <p>Committee NOTED the report and thanked PL for information provided.</p> <p>PL to provide further update at the meeting directly following the AGM on the 17th of September or before if required.</p>	
6.	<p>Draft Annual Accounts (Issued in advance to committee)</p> <p>PL guided the committee through Clark's report on the draft Annual Accounts which had been sent out in advance of the meeting. He revisited the covenant breach issue already discussed.</p> <p>PL explained the reason for the deficit in the year, with some of the reasons stated earlier in the meeting.</p> <p>Clark's report also gave a detailed explanation on what pages were most relevant and what each part meant for the co-op and where we currently performed. The short-term liability of £2.5m approx. will revert to a longer-term liability if and when the waiver is used.</p>	

	<p>Committee members collectively expressed their reassurance with this information.</p> <p>The accounts were:</p> <p>Proposed by: Heather Laing Seconded by: Craig Callan</p> <p>Committee NOTED the presentation of the draft annual accounts and APPROVED the Draft Annual Accounts.</p>	<p>Draft Annual Accounts approved</p>
	<p>Draft Management Accounts (Issued in advance to committee)</p>	
7.	<p>PL took the committee through the draft Management Accounts. He went through each part and stated mainly that quarter 1 for 2024/25 were looking healthier and that the covenant was met that was previously breached. He also indicated the areas in which we would be making savings this year and assured committee we'd be giving this priority and keeping a close eye on it.</p> <p>Committee NOTED the presentation of the draft management accounts.</p> <p>The accounts were:</p> <p>Proposed: Sandra Rodger Seconded: Heather Laing</p> <p>Committee NOTED the presentation of the draft management accounts and APPROVED.</p>	<p>Draft Management Accounts approved</p>
	<p>Financial Letters of Representation</p>	
8.	<p>PL advised that the financial letters of representation are letters we receive from our external auditors, AAB. The letters provide an overview of how AAB will audit the Co-op.</p> <p>PL went on to discuss further letters and submissions needed done by 30 09 2024, including letter from auditor, reply to that letter, the accounts when approved, redacted and visibly signed.</p> <p>PL also confirmed that the Annual Financial Statements would be uploaded after the AGM too.</p> <p>This was NOTED by committee.</p>	
	<p>External Audit</p>	
9.	<p>PL advised committee that it had been a very successful external audit so far. The informal feedback we have received from AAB had been very positive and they have enjoyed working with us so far.</p>	

	<p>PL stated they were very impressed with Craig's systems and processes and how easy the audit had been for all staff this year.</p> <p>It is clear that the main recommendation from the audit is going to be about the breach of covenant which has now been taken forward and hopefully resolved soon.</p>	
	<p>External Consultants</p>	
10.	<p>PL referred to the use of any external consultants and that we should only be using specialists in their field of work [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] He intimated that October's report would focus on that as well as all other aspects required during such an important review, including the recent issue with the covenant breach.</p> <p>PL finally referred to last year when he stated Craig should be given a year to then allow us to review where he was at and how the section was operating and then to assess where we would go with the finance function.</p> <p>All was NOTED and ACCEPTED by committee and PL was thanked for the update and one member said it may be a very difficult topic to approach for the co-op. PL confirmed the co-op, the safety of its tenants and good governance and strong financial management are what is most important.</p>	<p>PL to provide a report to October's meeting</p>
	<p>Community Development (Issued in advance to committee)</p>	
11.	<p>RB spoke to the report provided in the papers.</p> <p>RB provided committee with an update on the work of the community development team.</p> <p>RB described:</p> <ul style="list-style-type: none"> • Community Team Staffing Update • CentrePoint • CentrePoint Hires • CentrePoint Office • Moving forward • GOLD Group • Funding Update 	

	<ul style="list-style-type: none"> • Heads of Ayr Farm Park – Participatory budgeting trip <p>The winning proposal from the participatory budgeting judging was a trip for 'Families with children' and a 'place with animal' was the choice. Therefore, Heads of Ayr Farm Park was an excellent choice.</p> <p>The trip was also a great opportunity for the Ukrainian families to engage with other families in Gowkthrapple.</p> <p>Despite the drizzly weather everyone had a wonderful time with excellent feedback, one person commented "I'll remember this day, always". Hopefully we will have more trips in the coming years.</p> <p>RB's report provided some really touching photos of the event with all parts of the community coming together.</p> <p>The committee AGREED to provide funding (25%) towards the Community Development posts for one more month to 31 10 2024 and were grateful to the funder for also extending the positions but that the posts would more than likely end then. There will be an exercise to follow to ensure we meet all employment laws and guidance from EVH.</p> <p>RB was thanked for his presentation.</p>	
12.	<p>Advice for Tenants and Residents (AFTAR) Project (Issued in advance to committee)</p> <p>EH spoke to the report provided in the papers.</p> <p>Committee were invited to note the current position with AFTAR project and on this basis a recommendation was made to continue to provide this valuable service to our tenants.</p> <p>The Committee were asked to consider approving the match funding on the basis that all other RSLs agree to continue to be part of the project and to the match funding required from them.</p> <p>EH also referred to the client financial gains in the report, some of which were phenomenal.</p> <p>Committee were NOTED the current position of the AFTAR (Advice for tenants & residents) project.</p> <p>Committee APPROVED the match funding on the basis that all other RSLs agree to continue to be part of the project and to the match funding required from the Co-op. The match funding allows for a trained IT advisor and energy advisor too.</p>	<p>Additional funding approved. Build into budget for 2025 26.</p>

	Law View (issued in advance to committee)	
13.	<p>EH's updated report on the position at Law View and its remodelling and introduction to some service charges was presented to committee to keep them abreast of the situation. A visit to a similar landlord who has experienced the funding withdrawal will take place next.</p> <p>Committee AGREED to the contents of the report. Committee ACCEPTED the report and understood the necessity that we recover all costs that could be linked to service charges, noting that the majority of residents would have most of the charges covered through housing benefit.</p> <p>Elaine said she would update committee at the next meeting and after she'd visited the other RSL (Link HA) and discussed an exit strategy with NLC.</p>	EH to update at the next meeting on visit to other RSL
	Membership Report (Issued in advance to committee)	
14.	Committee APPROVED the 6 membership applications.	
	Housing Management Performance Reports (Issued in advance to committee)	
15.	<p>EH spoke to the report provided in the papers.</p> <p>Report provided by EH was accepted by committee.</p> <p>Committee NOTED the report and passed on their thanks to EH and the team for high levels of performance.</p>	
	Repairs & Maintenance Performance Reports (Issued in advance to committee)	
16.	<p>PL spoke to the report provided in the papers.</p> <p>PL presented the report to provide the management committee with current levels of performance in maintenance and tenant and resident safety, confirming all was in order and we were 100% with the key areas such as gas, fire, electrical, water safety etc.</p> <p>Committee NOTED the report and passed on their thanks to the maintenance staff for great results yet again and in particular the report on tenant and residents' safety under all categories.</p>	
	AGM Arrangements – Committee Members Standing Down (Issued in advance to committee)	
17.	Committee NOTED the report provided and APPROVED the AGM Arrangements.	

18.	<p>Secretary's letter prior to AGM (Issued in advance to committee)</p> <p>Committee NOTED the Secretary's letter prior to the AGM.</p>	
19.	<p>Payments, Benefits & Entitlements (Issued in advance to committee)</p> <p>SR left the meeting prior to the discussion taking place.</p> <p>The housing allocation was noted for SR to be considered for another flat lower down in the same close due to medical reasons.</p>	<p>Register to be updated Payments/benefits/entitlements</p>
20.	<p>Self Assessment</p> <p>SR returned to the meeting.</p> <p>PL advised committee that we were currently working on the self assessment requirements and would again provide the evidence required from it to assure committee before submitting the assurance statement for 2024 to the SHR portal.</p>	
21.	<p>Kit & Kat Productions</p> <p>EH advised committee that representatives from a film production company, Kit & Kat Productions had been given a tour of the community. A local film maker raised in Gowkthrapple has written a film about growing up in the area.</p> <p>EH read a letter from the film maker to the committee asking for location assistance during filming.</p> <p>The committee AGREED to support the production of the film, likely to last 8-10 mins and will focus on a boy growing up in the area.</p>	
22.	<p>Correspondence (Issued in advance to committee)</p> <p>22.1 Scottish Housing Regulator (SHR) - Changes to Charity Law</p> <p>The correspondence was NOTED</p> <p>22.2 Scottish Housing Regulator (SHR) - Making information available for tenants and service users about landlord performance and the Regulator's work</p> <p>PM showed the improvements to the website following the correspondence from SHR.</p> <p>The correspondence was NOTED</p>	

23.	Use of Delegated Authority	
	None	
	Any Other Competent Business	
24.	<p>A committee member asked a question related to capital investment, in particular new windows at 60 remaining flats in the area.</p> <p>PL provided an update and said a report on spend as well as a review of our financial projections would come to a future meeting, hopefully in October.</p> <p>PM advised that a date for further committee training would take place a week after the AGM at 6pm on Tuesday 24th of September.</p>	PL to update on investment
	Summary of actions / decisions at this meeting	
25.	<ul style="list-style-type: none"> • To provide funding for the Community Development posts until Oct 2024 – APPROVED • Draft Annual Accounts – APPROVED • Draft Management Accounts – APPROVED • Match funding for the AFTAR (Advice for tenants & residents) project - APPROVED • Membership Applications – APPROVED • Housing Allocation – APPROVED • Support the production of the film, with filming locations – AGREED 	
	Meeting Evaluation	
26.	<p>CC asked members for their evaluations of the meeting.</p> <p>Committee members acknowledged that they had enjoyed a participative and productive meeting and felt well informed.</p>	
	Date and time of next meeting	
	Annual General Meeting (AGM) 6pm Tuesday 17th of September	
27.	PL reminded Committee members of the date for the forthcoming AGM and encouraged their attendance at the meeting.	
	Meeting Close	
28.	<p>CC thanked committee & staff for attending the meeting.</p> <p>The meeting closed at 7.59pm</p>	

