

MINUTES

ITEM 6.1

COMITTEE: SPECIAL MANAGEMENT COMMITTEE

DATE: MONDAY 2nd AUGUST 2021

VENUE: VIRTUAL MEETING VIA ZOOM

TIME: 6:30PM

PRESENT:

JUNE GLANCY (SECRETARY, ACTING CHAIR)
SANDRA MCMENAMIN
JAMES PATON (CASUAL MEMBER)
SANDRA RORISON
DOREEN WILLIAMS
ANTHONY WILSON

IN ATTENDANCE: -

NICK JARDINE CHIEF EXECUTIVE OFFICER (JOB SHARE)
ALANA DURNIN, FINANCE DIRECTOR (FD)
SUK HOPPER, MAINTENANCE MANAGER (MM) ITEM 3.1 ONLY
PHIL MORRICE, ALEXANDER SLOAN (ITEMS 3.2-3.5 ONLY)
KIRSTY DAVIS, OFFICE MANAGER (OM), MINUTE TAKER

APOLOGIES:-

SHELLY MCILROY (CASUAL MEMBER)
VIVIENNE HEARTON (CHAIR)

REFERENCE:

MIN/MAN/02AUG21/KPD

1.0 CHAIRPERSON'S REMARKS

The Secretary welcomed all to the meeting in the absence of the Chair and agreed to act as Chair for this evening's meeting. Members welcomed Phil Morrice of Alexander Sloan's to the meeting for the presentation of the accounts.

1.1 Health and Safety

The Chair advised all members should be aware of their own Health and Safety responsibilities whilst attending meetings remotely.

1.2 Apologies

Apologies were received from Viv Hearton and Shelly McIlroy.

1.3 Declaration of Interest

There were no Declarations of Interest.

1.4 Resignation from Management Committee

Member's noted, with regret, the resignation from Diane McCarney.

2.0 DEFERRED ITEMS

Members noted the deferred items including Items 3.8 and 3.9 on this evening's agenda, which have been carried forward from the inquorate June 2021 meeting.

3.0 FOR DECISION

3.1 Revised Code of Conduct for Property Factors

The MM gave an overview of the Revised Code of Conduct for Property Factors, which comes into effect on the 16th August 2021. Members noted the highlighted changes as presented by the MM, also contained within the report. Members approved the Revised Code of Conduct for Property Factors.

The MM left the meeting at this point 6:42pm.

3.2 Annual Accounts – Changes Applied since the Q4 Management Accounts

The FD talked through the changes applied to the Annual Accounts since the Q4 Management Accounts were presented and Members noted the changes have resulted in £1.391M less surplus and a £1.388M decrease in overall net assets, within the 2020/21 Annual Accounts, *(including a £3.5k opening balance adjustment to reserves)*.

The FD advised that in the main, the decrease related to the impact of the pension plan valuation received from The Pension Trust, which increased the pension liability from £6k in 2019/20 to £1.403M as at 31/3/2021.

Members noted the FD's update and the content of the report.

- OTHA 2020-2021 Final Accounts **(presentation by Phil Morrice, Alexander Sloan)**

The Auditor advised that there was no change in the format of this year's Accounts, however highlighted an update was required to reflect Anthony Wilson is a 'full member', replacing 'co-opted member'. It was noted that this change will be updated prior to the signing of the final Accounts.

The key points noted from the Auditor's verbal presentation were:

- Revenue is down slightly, which is due to an adjustment from the previous year re: the write off of deferred grant re: the Maple Road properties ring fenced for demolition.
- Rental income is £200k higher.

- Operating costs – there was also a corresponding adjustment to the Maple Road properties in the previous year relating to depreciation, making operating costs look higher last year
- Operating surplus was £2.4m
- Interest receivable was down, due to reduced bank interest rates.
- Interest payable is also down
- Pension – adjustments relating to The Pension Trust’s latest valuation
- Surplus of £2.26m
- Actuarial loss of £1.78m
- Comprehensive income £480k
- Housing properties up a bit from last year, due to new development expenditure
- Current assets are lower than the year before, however cash is still high £9m
- Long term creditors are down
- Pension – very volatile (£1.4m liability) a picture will develop over the next years in terms of a trend
- Grants not yet written off £62.7M
- Net assets £28.8m
- Cash flow statement (details on a cash basis of where cash has been sent), with overall cash down by £3.8M, (development spend)
- Investing activities - circa £10m
- Highlighted one other change required on page 23/24 error in previous year’s opening computer value and opening depreciation value, however no impact on the net book value of computers - the figures will be corrected on the signing copy.

The CEO (job share) reminded Committee the Association had moved from defined benefit to defined contributions and that this will reduce future year’s risk for the Association moving forward.

Members agreed that the signing of the Accounts would again be carried out electronically this year (Docu-sign). It was agreed that the Auditor would email the Chair, Secretary and Tony Wilson in this respect and the FD would provide appropriate contact details to the Auditor.

3.3 Audit Management Letter for the Year ended 31 March 2021

The Auditor highlighted that this is a report to the Management Committee that confirms the scope of the audit and methodology. The key audit issues for consideration during the audit are detailed on page 6, which were identified at the audit-planning meeting.

The Auditor confirmed no issues were identified in relation to the risk areas identified and risks associated with Covid 19 were also taken into account, e.g. impact on bad debt assumptions and arrears. Accounting policies were noted as reasonable and prudent. There were no issues with accounting transactions and the Auditor confirmed that the Association is a going concern. There was no unadjusted transaction that were due to be brought to the Management Committees attention / no changes to the information provided to the Auditors by the Finance Team. The Auditor gave thanks to the Finance Team, on their clean audit.

3.4 Management Committee Response to 2020-2021 Management Accounts

The Chair thanked the Auditor and the audit team for their work on the audit and the details provided in the Management Letter.

3.5 Letter of Representation

Members noted the update given by the FD regarding component accounting on specific planned and cyclical elements (windows/bathrooms/kitchens) following the Stock Condition Survey. The FD advised that several of the component life cycles were different to the recommendations being made by the quantity surveyor / modelled in the stock condition survey and these would therefore be reviewed with the appropriate changes being implemented in the 2021/22 Accounts following consultation with tenants.

The Auditor confirmed that the impact of the life cycle changes re: Component Accounting / impacting depreciation is noted within the Letter of Representation for the reasons advised by the FD.

The Letter of Representation was noted and will be signed by the Chair and Secretary.

3.6 Co-option of New Committee Member

This item was withdrawn.

3.7 Secretary's Statement

The OM presented this report with details confirmed by the Secretary and this was noted by Members.

3.8 AGM Election Details

The CEO (job share) talked through this report. Members noted the Annual General Meeting Tuesday 17th August 2021 with the Special General Meeting being held at 6:30pm followed the date at 7pm. Members noted this would be a stripped back meeting in accordance with Covid guidelines.

Members noted that the following members required to stand down as per the Rules and had all agreed to stand again:-

- Vivienne Hearton
- June Glancy
- James Paton (casual member)
- Michelle McIlroy (casual member)

Following the resignation of Diane McCarney no further members were required to stand down.

Members noted that two members had reached the 9 year rule and following discussion and recommendation by the CEO (Job Share) agreed to invite these members to return for a further term.

Members noted that a Post AGM Management Committee meeting would be held directly after the AGM.

3.9 AGM Planning (Hub/Q&A etc)

Members unanimously agreed that there would be no Q&A and Hub at this year's meeting.

4.0 AOCB

Members approved two Share Membership Applications for signing and sealing:-

- [REDACTED] Greenock (£1 paid)
- [REDACTED] Greenock (£1 paid)

There being no further business the meeting closed at 7:20pm with a vote of thanks to the Chair.