

MANAGEMENT COMMITTEE MEETING

Tuesday, 26th November 2024 6:30 pm

Hybrid meeting held at the BOILER HOUSE at 146 Drip Road Stirling and Via Microsoft Teams | Management Committee

Attendees

<p>Present</p> <p>Ann Dickson (AD) – <i>Joint Vice Chair</i> Kenny Hutton (KH) - <i>Joint Vice Chair</i></p> <p>Abira Sarwar (AS) Andrea Mina (AM) Callum Wynd (CW) Elaine Rosie (ER) Jillian Fearnside (JF) John Jenkins (JJ) Kerray Dawson (KD)</p> <p>By Teams</p> <p>Priscilla Maramba (PM)</p>	<p>In attendance</p> <p>Mareta Greig (MG) – <i>Head of Tenant Services</i> Paul Fraser (PF) - <i>Senior Property Services Officer</i> Shona MacLeod (SM)** - <i>Finance Officer</i> Samantha Buggy (SB) - <i>Head of Corporate Services</i></p> <p>Callum MacDougall (CM) – <i>Minutes</i></p> <p>By Teams</p> <p>Sharon Brady-Wardrope (SBW) - <i>Director</i></p>
<p>Apologies</p> <p>Andrea Finkel-Gates (AFG) - <i>Chair</i> Hazel Robertson (HR)</p> <p>Cllr David Wilson (DW)</p>	<p>*Comment made on Decision Time (DT)</p>

1. Chair's Statement

Purpose - For Information

KH chaired this meeting in the absence of AFG.

The Chair welcomed all the committee and staff to the meeting.

~ *Item 8.2 was taken before the rest of the agenda was followed as normal* ~

2. Apologies

Purpose - For Information

Andrea Finkel-Gates

Hazel Robertson

Cllr David Wilson

3. Declaration of Interest

Purpose - For Information

None.

4.1 Draft Minute of Management Committee Meeting - 24th September 2024

Purpose - For Approval

A number of minor corrections to the minutes were noted on Decision Time (DT) and with the changes made from the notes by Committee members on DT, these minutes were approved as an accurate record of the meeting.

Decision: Approved

4.2 Draft Confidential Minute of Management Committee Meeting - 24th September 2024

Purpose - For Approval

A number of minor corrections to the Confidential minute were noted on Decision Time (DT) and with the changes made from the notes by Committee members on DT, this minute was approved as an accurate record of the meeting.

Decision: Approved

Matters Arising and Referrals from Subs - NONE

6.1 Health & Safety Monthly Update

Purpose - For Information

MG presented this report and gave a brief overview to the MC of the Health and Safety Monthly Update.

MG highlighted that we have also initiated compliance training to help us continue with our good approach to being compliant and to highlight our current position with compliance in respect of Health & Safety in all business areas.

There were a number of minor comments made on DT relating to this report which have been noted and will be amended.

As there were no further questions at this time, the MC noted this report as this was for information.

Decision: Noted

~ PM joined the meeting at this point ~

7.1 Management Accounts for Q2

Purpose - For Approval

SM covered this report which presented Quarter 2 Management Accounts in Appendix 7.1.1, informing the Management Committee of the financial performance of the Association for the period to the 30th of September 2024 and seek approval from the Committee for the Q2 Management Accounts.

*JJ noted that if income is lower than budget, is this not a negative variance. SM explained that is correct. Negative variance is mainly due to lower Kildean rents, which is due to the timing of invoices.

*AM highlighted that most areas are underspent, suggesting room for a more accurate budget. How are Forth Housing planning to adjust for this in the next budget cycle. SM explained that many of the underspends are due to timings only and are expected to be on track at year end. Some budget headers, i.e. legal fees, are contingencies only and may not be fully utilised. The adjustments made in the mid-year budget review have been taken into account when setting the draft budget for 2025/26.

*JJ noted that the scheduling of the budget could be improved in places. Item 7 for example. Lower heating and lighting over the spring and summer are predictable, so why not reflect this in the quarterly budget projections. Item 10 is another example. The timing of the Annual Report and Annual Assurance Statement is known in advance, so printing costs could be reflected in the appropriate quarters. SM mentioned that previously, most items were evenly split across the 12 months. The timing of items and the split across the year were adjusted for this year's budget however this will be further reviewed.

*AM noted the high bad debt provision for factoring, how is this calculated, 20% of arrears value. SM added that this was 100% of debt at 31/03/2024 and is adjusted annually. For recharges only, 100% of the debt is provisioned.

*AS highlighted that the major repair budget under expenditure from letting is missing from the estimated to date and so does wider action budget. This will change the operating surplus for the year to £ 566,354 with the variance of £157,123. SM explained that the estimated major repairs budget to 30/09/2024 is zero; no expenditure expected to 30/09/2024. Wider action budget only approved in October, so no expected expenditure to 30/09/2024.

*AS asked how estimated to date was calculated, because it's not split as income and expenses. We can forecast our spending but not sure if we require to do this for Statement Of Financial Projections. Can we have the position at the end of last financial year 23-24 and current position for comparison. It might also be worth having discussion with FMD Financial Services around this. SM explained that estimated to date comes from budgeted cashflow. If Committee would prefer, we can consider changing to Position at 23/24, movement, Act to date. SM that we will discuss this with FMD Financial Services also.

*AS asked in relation to window and door replacement, if we are planning to spend this year, or would it carry forward into next financial year. Additionally, are we tendering for surveys and installations or just installations. PF explained that we are still planning to get the project moving, but yet to hear from Stirling Councils Conservation team. We have surveyed the areas and are compiling a schedule to advertise on Public Contract Scotland.

*AS asked if we know why the credits are so high. Is it made up of Housing Benefit/ Universal Credit or rents and are they all current or former as well. MG highlighted that we moved the debit date to the first of the month back in 2023 and started the process of encouraging tenants to paying monthly in advance as per their Scottish Secure Tenancy. We also have Stirling Council who pay quarterly in advance for their leased properties. The suspense account holds over £10k. The remainder are former credit accounts which staff need to work through.

AS and SM discussed briefly what was included in the immediate repairs budget. AS asked if we have a fencing budget and when does this get utilised. PF explained that a provision is put in place for fence replacement for when this is undertaken. AS asked if this had also been capitalised. SM explained that it hasn't because it's a non-component.

SM mentioned that all changes will get put to the Audit & Risk Sub Committee in February 2025 for review again.

There were a number of minor comments made on DT relating to this report which have been noted and will be amended.

As there were no further questions at this time, the MC approved this report as this was for approval.

Decision: Approved

7.2 Draft 2025/26 Budget

Purpose - For Approval

SM covered this report which was presented to the Management Committee for consideration, discussion and approval of the draft 2025/26 Annual Budget.

SM explained that the opening position is based on the revised draft mid-year budget for

2024/25 approved by Committee at the 29th of October 2024 meeting. The attached information is based on budget information received from and discussed with the Senior Management Team and other key staff members and meeting our key operational needs.

*JJ highlighted that if this has been our practice historically, why are we "moving the goalposts" by using an average figure for CPI. SBW explained that we had previously used the October CPI as the papers went out later in Dec/Jan, however this timing did not leave much room for consultation with tenants. At the time of writing the report the CPI figure for Oct was not published and it was anticipated to be 2.5%. There is nothing in our policies or business plan that states what month to use. Some other organisations are moving away from using CPI or RPI and are looking at actual costs and percentage increases to balance the books. SM and JJ had a brief discussion around what the financial impact of a lower rent increase would be. SM explained that figures had been tested and that there are effects on the rent increase but there is a rent setting review due to take place soon as well to help with this.

*AS asked why the adaptations income is lower than the expenditure. SM noted that this is purely the 10% admin income.

*AS asked, what's bad debt other is for. SM noted that it's for factoring, rechargeable repairs and legal fees.

*AS asked if we are expecting receivables to remain the same over the 2 years, especially in comparison with current position, as there is a variance of £129k. Should we not expect a movement in line with rest. SM noted that we will review receivables for the final budget.

SBW highlighted to the MC that these 3 agenda items (7.2-7.4) along with papers, are interconnected. We have been a bit lower in budget over previous years and we are hoping that costs will come down eventually but right now, cost still seems to be inflating with no sign of stopping anytime soon. A key area where we need to be having conversations is around income support for our tenants and how we can provide additional support on top of what we do already.

KH noted at this time, the discussions being held are including all 3 of the agenda items named above already for clarity to help CM when minute taking.

AM and MG had a discussion around tenant support and if we have an angle we are looking at on how to provide this additional income support to tenants. MG noted that we have a very robust approach with how we gather information from tenants and the specific questions we use to obtain optimal feedback on this from tenants. AM asked if we also look at how other Registered Social Landlords (RSLs) approach this. MG highlighted that we have sourced information on how other RSLs tackle this ongoing issue, which has been extremely useful when implementing our own support.

At this point in the meeting there was a general discussion had by all in relation to other RSLs CPI increases, our surplus variance and what is based round, the Golden Rules that had previously been explained to us by Paul McNeil, average inflation rate across salaries and the amount of options we are consulting on with tenants when it comes to rent increase.

MG noted that the Senior Management Team agreed that we do need to really offer options this year for the rent increase as we didn't provide an option last year. It only seems right to do it this time around. JJ agreed with this, noting its importance to tenants.

SBW spoke regarding the risk of not falling below the threshold in relation to the Treasury Management Policy. We have tried to cut our expenditures and make efficiencies where possible to help. There are also many discussions taking place around the legal action connected to the Equalities Act. SBW also noted information on our adaptations and how we

need to make sure we have a provision available for any adaptations that come up.

KH highlighted that the sensitivity analysis provided by FMD was very beneficial. We need to be able to balance rent affordability without jeopardising the future of the organisation.

At this point, discussions were held around rent increase and what our positions are on what should be offered. There were discussions around how many options we provide tenants with and what percentages should be offered. SBW highlighted that offering 2 options would be really good and would allow us to have a more comfortable position that keeps us below our peers as well. JJ added that we need to be clear on what we are offering tenants based on the increase. What realistically do both increases give our tenants. SBW mentioned that giving only 2 options would be better than 3 because we can have a more in depth conversation with tenants on how each increase would affect them directly. It would provide more accurate feedback for us. We need to have open and honest conversations around the rent increase to help us identify what provisions would best suit our tenants as well.

ER expressed an interest in offering 2 options to our tenants and then being able to refer back to this the following year to help with future rent decisions.

PM asked if we will still be able to continue to have an option in energy efficiency standard as we won't be able to avoid the Net Zero topic. SBW noted that we do have to make a provision for this as we don't know how big this pot needs to be in order to accommodate all things coming up in the future. It is a real unknown for us at the moment.

There were a number of minor comments made on DT relating to this report which have been noted and will be amended.

The MC gave approval for offering 2 options to tenants for the rent consultation.

As there were no further questions at this time, the MC approved this report as well as reports in 7.3 and 7.4 as they were all for approval also since there was enough discussion had within this agenda item to cover the following items.

Decision: Approved

7.3 30yr Cash Flow Projections

Purpose - For Approval

SM covered this report which was already discussed in the previous agenda item 7.2.

*AM asked if there are sensitivity tests being conducted on the projections to assess how changes in interest rates, rent arrears, maintenance costs, or inflation might impact the budget and cash flow over time. SM explained that these are included on the sensitivity tabs in the Long Term Projections spreadsheet that was emailed out.

*AM asked if there are plans to put in place a Risk Management Framework. SM mentioned that we have a Risk Register which will be presented along with the new business plan but we are hoping to re-frame our approach to risk during the discussions at the business planning session on the 29th. There will be further opportunities for the MC to contribute to this.

There were a number of minor comments made on DT relating to this report which have been noted and will be amended.

As there was no further questions at this time, the MC approved this report as this was for approval.

Decision: Approved

7.4 Rent Consultation

Purpose - For Approval

SM and MG covered this report which was already discussed in the previous agenda item 7.2.

There were a number of minor comments made on DT relating to this report which have been noted and will be amended. Most of which have been discussed prior to this item and have been included.

As there were no further questions at this time, the MC approved this report as this was for approval.

Decision: Approved

8.1 Policy Review - Deferred

Purpose - For Approval

8.1 (1) IT Policies from Stratiis - Deferred

8.2 Draft Digital Strategy

Purpose - For Information

SB covered this report, which was presented for consideration and discussion, the new Draft Digital Strategy.

SB explained that this report helps outline the framework of our current position and of the vision and goals for our digital strategy for the next business period, 2025-2030. SB added that there are a range of IT and Data related policies which we are already streaming into two main policies, a digital policy and a data management policy, both of which will then underpin the Digital Strategy and will allow growth in the future.

~ SBW joined the meeting at this point ~

SBW added that our IT support, Stratiis, are figuring out what our base line is. Years 1 and 2 are our main priority currently but we are trying to modernise this area as much as possible. Our Housing Management system, SDM, has increased in cost also, which is now being reviewed also as it interlinks with other areas regarding our Digital Strategy.

JF highlighted that there are other options for Housing Management systems that could be looked at which are also web-based platform, helping keep things modern. MG added that other options have already been looked into and test meetings have been set up with staff to review functionable options.

AM expressed that it's good to be ambitious with modernising our Digital Strategy. Going down the route of self service for tenants is another option which may help. The option of an application is also a useful tool for tenants to access which is very modernised. MG mentioned that we have our MyForth portal which tenants currently use and that it is very self-serving and can be accessed online from different devices.

KD asked how sufficient our current Housing Management system is, can this be more modernised if budget allows. MG explained that there are certain aspects to our Housing Management system that don't integrate well and we have to use different platforms to do what we require whereas a system like Home Master is all contained within the one system and would allow us to work cohesively via one portal/ system.

JJ asked if this new integrated system would allow the finance team to also work off the same platform rather than having additional systems for finance. SM noted that yes, it would allow finance to be integrated also and work off the same platform for cohesiveness.

CW noted that it's important for us to be seen as a Digital Champion. We need to make sure that this idea is incorporated into our Digital Strategy. SBW agreed with this and added that we also want to be a Tenant Champion in the future, which is equally important.

ER added that our baseline principles are very positive and that it's important to have that vision correlate with our Business Strategy as well.

JJ highlighted the importance of cost versus benefit, noting that we need to be able to quantify as we go through the planning stages. We need to keep value for money as a key principle. MG and SBW both agreed with this point. SBW spoke about how staff time is being divided between the standard tasks in comparison to processes that require a lot of time to get done correctly. We will make sure to have sufficient testing and trials on this so that it operates how we need it to.

There was a minor comment made on DT relating to this report which has been noted and will be amended.

As there were no further questions at this time, the MC noted this report as this was for information.

Decision: Noted

9.1 Directors Report - not required

Purpose - For Information

9.2 Business Plan Mid-Year Update

Purpose - For Information

SBW covered this report which was presented to MC for information and discussing the update on progress with our Business Delivery Plan 2024/25.

SBW highlighted that the Management Committee notes the progress on the business objectives and discuss the update given on the work still to be achieved.

*AM asked, are perception-based KPI's included in the Factored Owners Quarter Report -

complaint volume/topics, service delivery metrics, debt recovery efficiency. SBW noted that it previously was just debt info that was provided but we can add in other KPI's if the committee want to.

*AM asked if examples of Equalities Act compliance initiatives could be briefly mentioned. SBW said yes, it is considered that those alterations which are reasonable are those that do not involve the removal or alteration of a physical feature. Things like a tap, a handle or door entry system would be considered reasonable. I think there are arguments around 'physicals' alteration when it comes to bathrooms/wet floors.

SBW highlighted that the priorities of some amber indicators are to be updated but there is nothing urgent needing attention at the moment. Items have become business as usual.

There was a minor comment made on DT relating to this report which has been noted and will be amended.

As there were no further questions at this time, the MC noted this report as this was for information.

Decision: Noted

9.3 Notifiable Events

Purpose - For Information

SBW presented this report to the MC, which was for information only.

The MC is asked to note the update on the open notifiable events and to discuss any further actions to be taken.

SBW explained that there have been no new notifiable events in the period since the last update to the Management Committee at their meeting 29th October 2024 and there have been no events closed in the period.

As there were no further questions at this time, the MC noted this report as this was for information.

Decision: Noted

9.4 Employers Ballot - Confidential - Deferred

Purpose - For Approval

SBW explained that there has been no update from EVH yet, so this item has been deferred until an update is provided.

9.5 Annual Work Plan Review

Purpose - For Approval

SB covered this report which presented to MC the draft Annual Work Plan outlining the

schedule of meetings for Forth's Management Committee and Sub Committees from April 2025 until March 2026. This paper also presents the Policy Register which shows the review dates for all Policies and the committee or sub committee responsible for approval.

The Committee are asked to review, discuss and agree to the proposed changes to Forth's Annual Work Plan including changing the date of September Management Committee meeting to be held directly after AGM, consider and approve the policy register and the allocation of policies to the Committee or relevant sub committee and approve updates within Standing Orders to reflect changes in 7.1.

*AS asked if there is any reason Q4 and Q1 management accounts are not being presented to Audit and Risk committee in May and Aug. SB explained that this is due to tight turnaround from month/ year end.

*AS asked if the AGM date is the same as the management committee meeting. Would it be just for appointments or a full meeting. I prefer it if appointments are made on the same day as AGM but the rest of the agenda would be reviewed/ covered at the end of month. SB mentioned that the September meeting is normally only to elect the office bearers, which would be short meeting, so we are proposing to hold this meeting directly after the AGM all other business has been moved to other meetings.

KH noted that the schedule of returns is very useful to see.

There were minor comments made on DT relating to this report which have been noted and will be amended.

As there were no further questions at this time, the MC approved this report as this was for approval.

Decision: Approved

9.6 Business Planning Day - Verbal Update

Purpose - For Information

SBW gave a brief update to MC as to the schedule and proceedings involved for the upcoming MC Business Planning Day this Friday.

The MC noted this information provided.

Decision: Noted

10. Memberships - NONE

11. Correspondence - NONE

12. AOCB

None.

Date of Next Meeting - 25th of February 2025

The date for the next Management Committee meeting on Tuesday the 25th of February 2025 was approved. The Chair thanked everyone for their attendance this evening.