

# ANNUAL GENERAL MEETING

Wednesday 20 September 2023 at 7.00pm

In the Beacon Arts Centre, Customhouse Quay, Greenock



## **Membership in Attendance**

Kelly Ferns (Chair), Heather Thomson (Vice Chair), Eileen Tamburrini (Secretary), David Brown, Grace Dawson, Annastasia Ellis, Isobel McCarney, David McIndoe, Nicola McLachlan, Lynn Raynor, Eleanor Robertson, Ken Robertson (via MS Teams), Jackie Smith, Marion Strachan, Hristina Tarpanova (via MS Teams), Victoria Weir

## **Attendance – Cloch Staff/Auditor**

Alana Durnin (CEO), Valerie Wilson (Depute CEO), Louise Carlin (Head of Housing Services), Paul McColgan (Head of Property Services), Shonaid Musgrove (Corporate Services Officer – on Minutes), Carlyne Swinney (Corporate Services Assistant), Ewan Barr (ICT Manager), Richard Browning (IT Assistant), David Quinn (Team Leader, Customer Connectors), Laura Young (Tenancy Sustainment Officer/SHO), Maria Durnin (Housing Officer), David Burrows (Senior Property Services Officer), Gwen Mills (Senior Finance Officer), Phil Morrice (Auditor, Alexander Sloan).

## **1. Introduction and Apologies**

The Chair welcomed everyone to the hybrid meeting and made introductions to the top table. Apologies had been received from the following members:

M Sheekey, V Gillen, A Gillen, S Roche, H Scott, M Docherty, B McDade, C Scott, E Cox, S Murphy, J Sweeney and J Cheshire.

## **2. Minutes of the AGM held on 21 September 2022**

The Minutes of the hybrid meeting held on 21 September 2022 were checked for accuracy.

### **Resolution**

The Minutes were proposed, seconded and approved by the Members.

## **3. Chair's Report 2022-2023**

The Chair advised that a copy of the Association's Annual Report was included in the information packs provided and this would be referenced.

“My presentation tonight will capture some of the key activities that Cloch have been involved in throughout the last financial year.

We have prepared our Annual Report, which provides more detail on our activities, and printed copies are available tonight. The Annual Report will go online in the next few days and will be available for all members and customers to read along with our Landlord Report on the Charter.

The past year has seen a whirl wind of change for Cloch, with much of this being driven by external factors out with our control causing high inflation and interest costs.

This has resulted in the cost-of-living crisis, which continues to impact on our customers, in addition to increasing costs for our suppliers and contractors.

This in turn has had a knock-on impact on Cloch's costs for services and the Staff Team have worked hard to reduce the effects of this and the cost-of-living crisis through several initiatives delivered over the year.

During the year there was also internal changes with 3 new Board members joining Cloch and they have brought new ideas, perspectives, and skills to our existing strong and committed Board. Our new members are with us tonight and I would like to welcome them to their 1<sup>st</sup> Cloch AGM – Hristina Tarpanova, Victoria Weir and David McIndoe. In June of this year, Nicola McLachlan also joined the Board and she brings a tenant perspective to our discussions.

There were also new members to Cloch's Leadership Team:

- In October 2022 our previous Finance Director, Alana Durnin, returned to Cloch to take on the role of Chief Executive.
- In November, Valerie Wilson joined the team as Finance Director, following a period of providing consultancy services. I'm delighted to add that Valerie has now been appointed as our Depute Chief Executive.

Alana and Valerie have been great additions to our Leadership Team working with:

- Louise Carlin, who became our Head of Housing in April 2022, having started with Cloch over 30 years ago, fulfilling different roles during her career in the Housing Sector.
- Paul McColgan, our Head of Property Services, who is our long-standing member of the Leadership Team and he and the Property Services Team have had a very productive year, focussing on improving our repairs and maintenance services.

Working in partnership with Williamsburgh and Ferguslie Park Housing Association's, Cloch has introduced a new, innovative approach to delivering our repairs and maintenance service, which will improve performance.

Over the past years we have been working with one main contractor to deliver our maintenance service, however we have changed the delivery model to work with smaller, local contractors, using a procurement framework that makes it easier for smaller contractors to apply to work with the three Housing Associations.

It has taken about a year to get the new model up and running but the new working arrangements are now in place, and they have brought employment to Greenock, with

one of the contractors establishing a depot locally and 5 new modern apprentice jobs have been created by two of the contractors.

The financial climate made us review our Business Plan priorities and we refreshed our Business Plan during the year, to ensure that staff time was being directed to the most important issues, taking account of the challenges being faced.

High priority was placed on mitigating the cost-of-living crisis; improving our repairs and maintenance service; tenant and resident safety; and staff wellbeing.

We made the decision to hold back from building new houses due to high costs, following our Kings Glen development where 57 new homes were allocated in 2021. However, we are committed to continuing to grow and increase the number of homes we have for rent and we did this throughout the year by buying properties on the open market.

The Scottish Government supported our initiative by providing grant funding and during the year 5 additional homes were purchased.

As part of our acquisition initiative, we are targeting homes that will fulfil a particular need or increase Cloch's ownership of property, to allow us to invest in future planned maintenance.

I am delighted to report that the Scottish Government have provided a further £300,000 of funding to contribute to our 2023/24 property expansion plans.

At the start of the financial year, we launched a new service called Cloch+, which is a furnished tenancy service, aimed at mitigating furniture poverty by helping people to furnish their homes.

We made an application to the Scottish Government for the Investing in Communities Fund to expand this project and I'm delighted to say that in March 2023 we received the fantastic news that we had been successful in securing 3 years of grant funding totalling £325,000.

The expansion of our Cloch+ project allows us to focus on supporting mental health and wellbeing initiatives, ensuring this is prioritised at a community and local level.

We are also delighted that the project financially supports our partner, Starter Packs, who provide essential start up packs to those setting up a new home.

We now have 2 dedicated staff members in our newly established Community Support Services, and this project also provides a Handyperson service to help people turn their house into a home.

Our planned and cyclical maintenance activity during the year focussed on maintaining our external areas and renewal of components such as kitchens, boilers and heating systems, with £1.76 million invested in 2022/23.

However, we also faced a setback in this area as one of our main contractors for our planned maintenance activity went into administration.

When we went back out to procure the work the value had increased in price to over £2M, which was 30% above budgeted costs. Therefore in consultation with our customers regarding the 2023/24 rent increase, the decision was made to reduce the amount of planned maintenance work being carried out over the next 5 years.

This allowed us to reduce the overall rent increase for to 6%, which was 4% below March 2023 inflation of 10.1% and much lower than the 20% to 30% increase in service costs we have experienced.

A major area of work by the Finance Team to help reduce the impact of a below inflation rent increase was to refinance some of our loans with our lenders.

By the end of March 2023, we had £12.5 million of loan funding, which helps pay for our planned maintenance programme and the new houses at Kings Glen, with loan interest costs of £474,000 for 2022/23.

In January, we re-negotiated loan terms with projected savings of £870,000 over the next 5 years. 88% of our loan funding is now based on a fixed rate mortgage, helping to control our loan interest costs and protecting us from any further increases in interest rates.

From a review of our operational activity, our Housing Team have worked hard to ensure rent charges are collected, to be re-invested into services and property maintenance.

Our total rent arrears remain low at 2.08% of rents, which is in the top quartile of performance in Scotland.

Our Customer Connections Team who are your first point of contact when you make an enquiry ensured 95% of calls were answered on time, with 96% of specialist enquiries responded to within 1 working day by colleagues.

Although most of our repair's performance suffered due to contractor issues, 94% of our homes meet the Scottish Housing Quality Standard compared to the Scottish average of 79%.

Our average time to complete emergency repairs remains excellent at 2.5 hours compared to the Scottish Average of 4.2 hours, with the average time to complete non-emergency repairs being 7.4 days compared to the Scottish Average of 8.7 days.

We were delighted that our fourth compliant Annual Assurance Statement was confirmed by the Scottish Housing Regulator supported by self-assessment against the Regulatory Standards of Governance and Financial Management.

Our Board and Staff also worked through an appraisal process, which informed our training and development plans for the year, with Arneil Johnstone supporting the Board activity in this area.

Following our AGM in September 2022, I remained as Chair, with Heather Thomson taking on the role of Vice Chair and Eileen Tamburrini as Secretary. At present we have 11 Board members, including tenant representation.

Our community activities were expanded during the year with the establishment of our Customer Involvement Team and also several successful funding applications.

We secured £100k of funding to provide additional welfare benefits advice and support, issue energy and food vouchers and warm packs which helped hundreds of customers.

We also worked in partnership with Financial Fitness, who are Inverclyde's independent welfare benefit and money advice charity, and set up a new appointment service from our offices. This service secured £277,000 additional benefits over the year, helping 163 of our customers and we will continue to provide this service to help maximise income for households.

We have continued to work closely with our local Housing Associations on a range of projects and were successful in a joint funding bid for the Social Housing Fuel Support Fund with Cloch receiving £21,300 to support 213 households by providing appliances to reduce the cost of cooking as well as items to help keep people warm.

We also worked in partnership with Inverclyde Libraries, who delivered free digital training along with our IT Team to our customers, helping to reduce the impact of social isolation.

My slides have given a very brief overview of our key activities across the Association and I'm sure you will agree that our staff team are working extremely hard to provide a high quality service despite the challenges faced.

Finally, I would like to take this opportunity to thank all Board members and the Staff team for their extraordinary efforts throughout a difficult year and for helping make me feel supported in my role as Chair, you really are a great bunch of people to work with. And to our tenants and customers, we all strive to deliver services that meet your needs and we welcome your on-going feedback and participation to help us to continue to improve the services we provide.

In closing this presentation, I would like to bid a sad farewell to Heather Thomson. After 6 years on our Board, Heather will be stepping down. Heather has made an immense contribution to Cloch over the years, particularly around the area of asset management and is highly respected and valued by our Board and Staff Team and I know she will be missed by all."

The Chair asked if there were any questions from the membership on the report. There were no questions.

A presentation was made of some gifts and flowers to H Thomson.

#### **4. Presentation of Accounts**

Phil Morrice, Auditor from Alexander Sloan, was introduced to the meeting. Copies of the abbreviated accounts to 31 March 2023 were included in the packs.

The key points were as follows:

#### Income & Expenditure

- Revenue - £9.4m (up from £9m)
- Operating costs down to £7.2m from £7.4m
- Operating surplus - £2.2m (up from £ 1.6m)
- Interest of £17.6k received and £474k paid
- Other Finance Charges - £112k – partly pension adjustment
- Overall Surplus - £1.835m (up from £1.142m)
- Pension Adjustment - £(409)k

#### Balance Sheet

- £73.5m – Housing
- £456k other fixed assets
- £461k - Debtors (rent arrears, grant receivable, other receivables)
- £3.3m cash balances
- £3m – Short term liabilities
- Association can meet its debts as they fall due
- Long term liabilities - £11.4m
- Pension Liability – £269k
- Deferred Income - £44m (grants)
- Net Assets / reserves- £19.2m (up from £17.8m)

#### Audit Report

- As per the Association's Rules, the Board has responsibilities and must present the Accounts to the Membership at the AGM for approval. The Board would normally have been presented with these prior to the AGM for detailed scrutiny.
- These must give a "true and fair" view of the Association's situation.
- They must be in accordance with the current accounting rules and legislation.
- Proper books and records must be kept.
- They must provide that a satisfactory system of internal controls is carried out and maintained.

The Auditor closed by stating that the Association had provided the legal documents as required and was in a good, sound financial position.

The membership was asked if anyone had any questions. There were none.

## **5. Appointment of Auditors**

The Chair thanked the Auditor for the report and advised that the next item was the Appointment of the Auditors. The Chair advised that although the Audit contract had been procured via our tendering process, the Auditors are required to be re-appointed formally at the AGM. The Chair advised it was the intention to re-elect Alexander Sloan on this basis provided there was no opposition to the motion.

## Resolution

The motion to re-elect Alexander Sloan as the Association's auditors for the period 1 April 2023 to 31 March 2024 was proposed, seconded and approved.

## **6. Election of the Board**

The Chair restated that Board member H Thomson was standing down. Noting this and in line with our Rules the Association has 6 members either retiring or requiring to be elected. They are David Brown, Ken Robertson, Victoria Weir, David McIndoe, Hristina Tarpanova and Nicola McLachlan.

Rule 40.1 states that "*if the number of Members standing for election is less than (or equal to) the number of vacant places the Chairperson will declare them elected without a vote*".

The Association has 8 vacancies and only 6 standing for election/re-election. Therefore, they were declared elected.

The Chair advised that the Board would consist of the following members:

- *Kelly Ferns*
- *Ken Robertson*
- *Eileen Tamburrini*
- *Eleanor Robertson*
- *David Brown*
- *Jackie Smith*
- *Victoria Weir*
- *Hristina Tarpanova*
- *David McIndoe*
- *Nicola McLachlan*

## **7. Vote of Thanks**

The Chair handed over to the Secretary to make the "vote of thanks".

The Secretary thanked the Chair who has helped steer the Association through some trying times in the past year as well as our outgoing Vice Chair and Board Member, H Thomson, who was stepping down.

Thanks were made to the Board and staff for all their hard work and to our lenders, contractors, consultants, auditors and all the other agencies with whom we work.

They all help the Association to deliver on its services and achieve our goals.

Lastly, thanks were made to the members for their ongoing interest, commitment and support to the Association.

The Secretary handed the meeting back to the Chair.

## **8. AOCB**

The Chair asked if anyone wished to ask a question based on the business discussed at the meeting. As there were no questions the Chair moved onto the next item.

### **8.1 Prize Draw**

A prize draw for 3 x £30 vouchers was made to those members, excluding the Board, who had attended the meeting. There were no non-Board members attending online so all members were present in the room. The winners were:

- Grace Dawson
- Anastasia Ellis
- Isabel McCarney

Congratulations were made to the winners.

## **9. Close of Meeting**

The Chair asked the meeting if there were any questions pertaining to the business. There were no questions.

The Chair thanked everyone for attending the AGM and declared the meeting closed at 7.35pm.

## **10. Guest Speaker**

The Chair advised that the Association was doing something different this year and invited, as our guest speaker, Eleanor Robertson – current Board Member, to give a talk on the work of Inverclyde Heritage Network.

Information on how the group became into being, the work it had done to-date and how it hoped to progress was made; together with how lottery-funding was being spent to keep the past heritage of the Inverclyde area alive for future generations to read and learn about.

The Chair thanked Eleanor for the enlightening talk and hoped that the group continues to collect more history of the Inverclyde area.

The Chair invited members to join in conversation and partake of some refreshments that were now being served.

Board Members were asked to adjoin to the next room to hold a quick Board meeting.

(Time 8.00pm).