

MINUTES OF MANAGEMENT COMMITTEE MEETING HELD ON Wednesday 23rd September 2020 6:45 PM VIA ZOOM

Welcome, Sederunt & Apologies

Present:

Darron Brown	Chair
Maureen Morris	Vice-Chair
Jane Heppenstall	Committee Member
Sarah Morris	Committee Member
Michelle Harrow	Committee Member
Carol Torrie	Committee Member
Stewart McIntosh	Committee Member
Shona McKenna	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director & Secretary
Gordon Kerr	Finance & Corporate Services Manager
Linda Logan	Minute Secretary

Apologies:

Clare Monteith	Committee Member
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1. Management Accounts to June 2020

The Finance & Corporate Services Manager presented the report to provide committee members with a comparison of the estimated and actual financial position to 30th June 2020.

He led the committee through the Statement of Comprehensive Income and outlined all variances. The budgeted surplus for the period to 30 June 2020 is £188,605.00. The actual results for the period show a surplus of £322,163.00 a favourable variance for the period of £133,558.00.

He highlighted that the favourable variance of £133,558.00 arises from;

- Operational Activities £131,956.00; (favourable variance)
- Net interest and other activities £1,602.00 (favourable variance)

Rental income is slightly lower than expected with a slight adverse variance of £227.00. Void losses are also lower than the budget figure of £2,896.00 as opposed to £6,598.00. A favourable net rental income of £3,147.00. He highlighted that commercial rent and factoring income are both slightly less than budget show small adverse variance of £643.00 and £548.00 respectively however he asked committee to note this will change going forward as the revised rental figure for 17 – 19 Newhills Road is implemented.

He reported there were no Stage 3 Medical Adaptations Grant income claims for the first quarter of this grant reflecting no spend to date on medical adaptations. This was expected to change in the second quarter with accelerated spend being claimed. He highlighted that further to time of writing a claim has been now submitted.

The Finance & Corporate Services Manager noted a few over and underspends against budget in the Statement of Comprehensive Income. Salaries had an underspend of £11,937.00 due to replacement of the Estate Wardens Supervisor not being in post in the first quarter of the year. He provided detail and a breakdown of the underspend in Repairs & Maintenance of £148,742.00. He provided a detailed overview of the over and underspends in relation to reactive, cyclical, major/planned renewals which are in the main due to contractor staff being on furlough due to the Covid 19 pandemic as only emergency repairs being carried out. He hoped work would pick up as restrictions were relaxed.

Bad debts are actually a change to income and expenditure which will increase the provision rather than the actual amount of bad debts written off. He explained that due to issues of the 20/21 budget we had decided not to budget a charge to income and expenditure this year. However; in actuality we will be using the same rationale as the Annual Statutory Accounts rather than being based on a notional budget figure. The charge for the first quarter will increase the provision quite substantially by £41,738.00

The Housing Properties has increased by just over £100,000. The cost of replacement components accounts for a small part of this £20,000, however, this spend is much lower than the budgeted spend of over £303,000. A purchase of an individual property on the open market added an additional £85,000.00

Cash has increased by almost £100,000 to £2,118M. Loans had reduced by £59,490 due to the monthly contribution being paid towards this liability. The pension deficit reflects the past service deficit as now being an asset. It remains purely for internal reporting purposes and we will not be allowed to recognise an asset as part of the statutory account reporting. However; there will be another valuation prior to year end which, he reported will more than likely, re-introduce the liability.

Reserves had increased by over £322,000 to almost £6.9M in line with the surplus made within the period.

There were no covenant compliance issues at June 2020. He provided an overview of interest cover and gearing targets as outlined within the report.

Resolution:

Committee approved the management accounts for the period to date.

Carol Torrie proposed and Michelle Harrow seconded the management accounts for the period to 30 June 2020.

Meeting closed. There was no further business.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings:

Signed (Chair)

Date:.....