

CASSILTOUN HOUSING ASSOCIATION

MINUTE OF MEETING OF BOARD OF MANAGEMENT
HELD ON WEDNESDAY 28TH NOVEMBER 2018 AT 6.00 PM
IN CASTLEMILK STABLES, 59 MACHRIE ROAD

Present:

Anna Stuart MBE	George Kelly
Evelyn Ferguson	Teresa McGowan
William Craig	James Garrow
Julie McNeill	Debbie MacKenzie
Donna Ferguson	Richard Sullivan (Observer)
Kim McKee (Observer)	

In Attendance:

Charlie Millar	Chief Executive Officer
Paula Brownlie	Corporate Services Manager
Gamal Haddou	Director of Finance/IT

1a. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES

Apologies received Adam Milligan and Teresa Sadler.

The Chair intimated that Teresa Sadler had missed 3 board meetings. The Chair was aware that Teresa's had ongoing work commitments.

The Chair welcomed Richard Sullivan back to the board meeting. Richard has expressed an interest in joining the Board of Management and will be serving in the capacity of an observer.

The Chair also welcomed Kim McKee, Senior Lecturer Social Policy (Housing) to the board meeting. Kim has expressed an interest in joining the Board of Management and will be serving in the capacity of an observer.

1b. QUORUM

As per the Association's Rules, the Quorum for the Board of Management Meeting stands at 4 members.

2. CONFLICT OF INTEREST (PERMANENT REGISTER)

None

3. MINUTE OF MEETING HELD ON 31ST OCTOBER 2018

The minutes was noted and approved on the motion of William Craig and seconded by Teresa McGowan.

4. MATTERS ARISING FROM MINUTE OF MEETING HELD ON 31ST OCTOBER 2018

Page 8, Item 20, Subsidiary and Sub Committee decisions between 18th September 2018 – 31st October 2018: *Operations Sub Committee meeting held on 3/10/2018:* Board member raised the fact that some satellite dishes were still in place. CEO intimated that he would raise the issue with the Director of Operations.

5. ACTION LIST FROM MEETING HELD ON 31ST OCTOBER 2018

Notifiable Event re properties at 46, 48 and 50 Machrie Drive and 99 and 113 Barlia Drive: Chief Executive intimated that he was awaiting approval from the Council for the disposal of the land.

Social Enterprise 4: Chief Executive met with Mark Ewing regarding the setting up of Social Enterprise 4 on Tuesday 27th November 2018. It was agreed that Mark would write to the Chief Executive outlining his recommendations based on the Feasibility Study provided. SE4 will deliver services based on the charitable aims of the Association.

VFM Strategy/Risk Register/SWOT: Training session to be held on 30th November 2018 - afternoon

All other actions have been completed.

6. CHAIRS REPORT

The Chair reported.

2nd November: Site Visit, Crudens Pollok. Good finish, utility room downstairs, washroom, bathroom – streetscape nicely set out. Didn't like drying area grassed, not slabbed. One storey, small gardens in front and back.

Board member enquired if another visit to a Crudens site could be arranged in the New Year. Chief Executive confirmed that this would be arranged during the Spring (pm) to allow board members to attend. Chief Executive intimated that representative from the Board and Senior Staff had attended the site visit and checked the quality of work.

Attended North View's 25th Anniversary Party in Rutherglen Town Hall with Secretary, CEO, Director of Operations, Regeneration Manager and Housing Manager (Services).

5th November: EVH Monthly Meeting. Attended with Teresa McGowan. Karen Anderson from Indigo House spoke about Governance. What she spoke about, we already cover in the appraisal process. Karen was promoting a training session called Dilemma (Governance related) which is for Staff and Board Members. Other items on agenda, Pay Rise information, feedback from Conference held in St Andrews.

7th November: Civic Reception in City Chambers with Jim Garrow. This reception was a thank you for Groups taking part in Doors Open Day. There were 4 speakers – couldn't understand what they were saying. Not as good as previous years.

- 8th November: Community Council: Teresa McGowan and Chair attended. It was attended by 60-70 people. The AGM was first and then it was the meeting about the future of Torbrae.
- 16th November: Shortlisting for CEO
First set of interviews to take place on 22nd November 2018
- 19th November: Met with Nick Hopkins, an independent consultant who will be carrying out a review of the Advice Team. Nick's review will be determining value for money and the return from investment by the Big Lottery. His report will be presented to the Board on his completion of the review.
- H&S Committee: Nothing to report
- 22nd November: CEO Interviews – First Stage. 8 applicants interviewed. Second stage of interviews to be held on 6th December 2018
- 23rd November: Glasgow and West of Scotland Forum Annual Conference: Attended conference with Jim Garrow, George Kelly, Evelyn Ferguson, CEO, Director of Finance, Regeneration Manager, Director of Operations and Corporate Services Manager. Good plenary sessions. Workshops and presentations on health. Final Speech was from Craig Sanderson (former CEO, Link Housing Association)
- Jim Garrow intimated that he thoroughly enjoyed the Conference and attended a workshop entitled Minding the Gap which talked about how Housing Association's work with other partners to sustain people in their homes.

7. **CHIEF EXECUTIVE'S BI MONTHLY REPORT**

Chief Executive presented his Bi Monthly Report previously circulated with the agenda.

Glasgow West of Scotland Forum - SHR Consultation on the revised Regulatory Framework from April 2019

CEO intimated that the Forum's report covers all of the proposed changes and that GWSF continues to argue on certain points.

The SHR's Revised Regulatory Framework outlines a new requirement to have Assurance Statements and evidence that Housing Association's are meeting their legal obligations on housing and homelessness, equality and human rights and tenant/resident safety.

As the Board are aware, we are currently carrying out an internal audit of self-assessment on the SHR's Regulatory Standards. It is recommended that the consultant's brief is extended to include Assurance Statement evidence. This piece of work will give the board an independent report which will form the foundation of evidence to create the first Assurance Statement. The consultant's report will be presented to the Board at their meeting on 6th February 2019.

After discussion, the Board approved to extend the consultant's brief to take into account the evidence in preparation for the Assurance Statement. This will equate to an extra 5 days work at a cost of £2k.

The Association has appointed a new internal auditor, Wylie and Bissett for a 3 year period and we currently comply with updating our web site with details on our Board of Management.

Training for the Board will take place from January 2019 to April 2019 on the other proposed changes.

The Board had nothing further to add to GWSF response to the Regulatory on the proposed changes.

GWSF: Regulatory Concerns: Draft Action Plan for Consultation - “Protecting the Independence of Community Controlled HA’s”

The Forum are taking a proactive approach to addressing the serious issues that have affected several housing associations in recent years. It is important that every Housing Association Board Member is aware of the issues and potential threats to the independence of Housing Association movement. The GWSF report provides a good overview and also makes some sensible suggestions on how we can assist.

The Board agreed that they wanted to remain independent and viable.

GWSF: Housing Beyond 2021 Discussion Paper – Draft GWSF response

The Forum is highlighting five key areas that they wish to discuss during the 2019 consultation process.

The GWSF report has been distributed for information purposes. The 5 key areas are:-

- 1) New build programme must retain a focus on regenerating deprived areas.
- 2) New strategy for tackling poor private housing is required.
- 3) Scottish Government should define what “community” really means within its housing policy.
- 4) More focus on housing needs of younger people.
- 5) Greater emphasis on developing innovative, local opportunities to supporting older people.

There will be further opportunities in 2019 to discuss and take part in consultation feedback.

After discussion, the Board supported the GWSF response. It was also agreed to set up a workshop to review the consultation response.

Co-optee Board Members

Chief Executive Officer introduced the two suitable experienced individuals who applied to the Association to become co-opted Board members. After discussion, the Board were asked to approve the appointment of the two Co-opted Board Members, Kim McKee and Richard Sullivan. The Board took the decision to a vote:-

For: 8
Against: 1

The two interested applicants were appointed to the position of Co-opted Board Member.

EVH: Salaries Employers' Consultation Feedback Report

As the Board are aware the Association are associate members of EVH. Since 2011 the Association has set its cost of living salary increase and has opted for periods of long term agreements. The Association's salary levels continue to benchmark closely with EVH's salary levels and the control remains with the Board. The EVH report previously circulated with the agenda, provides the Board with up to date information across the EVH membership which is essential benchmarking information. The Staffing Sub-Committee have delegated responsibility to review the cost of living pay review. The next meeting will be arranged for January 2019. The Staffing Sub-Committee will closely monitor EVH's position and consider the Association's Business Plan prior to consulting with staff. The Board are reminded that the staff take no part in the decision making as this is clearly a conflict of interest.

The Staffing Sub-Committee will report back before April 2019 to the Board with its recommendations.

SHR - Medium Engagement

A copy of the Scottish Housing Regulator's letter was circulated indicating that they had received substantial assurance in relation to the medium engagement plan and process.

The Board took great assurance that we were complying with the Regulator's Development and Business Planning process. The Board intimated that they were delighted with the news.

Rent Benchmarking Information – Weekly rent levels 2017/18

Cassiltoun Housing Association rents benchmark strongly with the local Castlemilk Housing Associations and the Scottish average.

The CEO presented the Board with a benchmarking table which provided the Board with additional assurance of how Cassiltoun Housing Association rents compare with a variety of Housing Associations in Glasgow, Edinburgh and regionally.

Early in the New Year the Director of Finance will provide the Board with options in line with our business plan and consultation feedback. GWSF have gathered from other RSLs their proposed rent increases and these were circulated to the Board for their information.

The Board approved the benchmarking table for consultation purposes and agreed that it should be included in the winter newsletter.

Richard Irwin

Cassiltoun currently has a contract with Richard Irwin Energy Solutions (RIES) to carry out facilities management at Buchanan Lodge running from October 2017- Sept 2020. We have been advised by RIES that they are in advance discussions to sell its Facilities Management business to Servest Arthur McKay Limited (SAML), a subsidiary company of the Atalian Servest Group. Like Richard Irwin, Atalian Servest is a family owned company, albeit much larger and is one of the largest Facilities Management companies in the world. They are looking at concluding the transfer at the end of November 2018. In order for us to continue to work with RIES in their new format as a business unit within SAML, we need to sign a novation agreement – effectively transferring the contractual obligations that RIES have within our contract, over to the new organisation. We also have an opportunity to change control rights under the current contract. A draft version of the agreement has been provided and there are no matters of concern. The key issue for Cassiltoun is to ensure that any transfer of the business has no negative impact on the service received by CHA and ultimately Talbot HA and the clients in Buchanan Lodge. We have been advised that the service will be exactly as pre-transfer- with the same REIS staff and systems in place to fulfil the requirements of the contract. One thing to bring to the Board's attention is that much of the servicing of the various mechanical and electrical facilities at Buchanan Lodge are sub-contracted by RIES. So, over time, it is possible that the new company will start to phase in other sub-contractors from their supply chain. We would need to monitor this to ensure the same high standard of work and communication is received. Our alternative to signing a novation agreement would be terminate the contract with RIES and would involve re-negotiating with ECG who were second placed in the procurement process last year.

After discussion, the Board approved to give delegated authority to the Chief Executive to sign the novation agreement on the motion of Evelyn Ferguson and Julie McNeil. Our staff who deal with RIES on a day-to-day basis will keep a close eye on the period of transfer and will raise any service level concerns that may arise.

The Board acknowledged the changes and agreed the risk was minor.

The Board noted and approved the Chief Executive's Bi Monthly Report.

8. RENT CONSULTATION FOR CONSULTATION

The Director of Finance & IT presented the above report previously circulated with the agenda.

As the Board are aware, the Association will shortly be consulting with tenants on the proposed rent increase from 1 April 2019 as per Scottish Housing Regulator requirements. The Association's business plan has modelled inflation at 3% for the past few years with a rent increase of ½% more running through it. We use the November RPI inflation rate to base the consultation on as this is the most up to date measure available and it will be published on 19 December.

In recent years we have kept the rent increase below RPI + ½% (including last year when RPI was 4.1% in December) and hence we have seen a decrease in future years' business plan income. The business plan was independently verified and updated for the new developments by Paul McNeill with the plan assuming inflation at 3% and rents at 3.5%.

A circular received on 14 November 2018 from the GWSF showed the indications from 19 Associations were generally looking at consulting on rent increases of between 3% - 4.4%.

It is recommended that Cassiltoun's exact percentages being consulted upon are linked to the 19 December published RPI rate however it is not expected that this new rate will vary by more than +/- 0.3% from the 3.3% today.

Overall it is proposed that we consult with tenants to offer the following 3 options and nearer the time work through how we want to publicise the outcomes that each percentage would offer, such as undertaking the new smoke and heat detector requirements, extending the Money Advice Team to ease the effects of Universal Credit and stronger governance agenda:-

- 3.5% business plan (equates to £2.40 per week more)
- 3.8% RPI + ½% (equates to £2.61 per week more)
- 4.5% ours - 2% (equates to £3.09 per week more)

A Board member raised the issue of how the percentage uplift would look in real terms to tenants as this should be included in the consultation exercise.

After discussion, the Board unanimously approved the above three options to consult with tenants.

9. **MANAGEMENT ACCOUNTS – OCTOBER 2018**

Director of Finance & IT presented the Management Accounts for October 2018.

The October accounts were the fifth set of accounts for this year and covers just over half of the financial year. Actual surplus is £267k being temporarily higher than the budget of £241k. This arises due to insurance and interest paid being lower but the next five months will see some new costs (e.g. recruitment fee, Saturday opening, etc).

Cash has increased by £0.8m from the start of the year whilst the surplus is £0.3m. The missing £0.5m is development cash (to Balance Sheet) and £0.2m to loans repaid.

The other largest true variances (favourable and adverse) remains being reactive maintenance, bank charges for the loan arrangement fee, advertising for the CEO recruitment and lower insurance costs.

The overall full year forecast is surprisingly just £2k adrift from budget.

Arrears medium term trend remains flat. This is slightly lower this month due to £3k write offs.

Covenants have all been achieved.

KPIs have all been achieved.

The Board unanimously approved the Management Accounts for October 2018.

10. **IT TENDER - ACCEPTANCE**

Director of Finance and IT presented the above report previously circulated with the agenda.

The Procurement Policy requires that the Board approve contracts where the value exceeds £30,000.

The IT support contract is currently undertaken by TSG as has been the case for a number of years with at least two renewals and the Board agreed on 14 August 2017 to extend the current contract an additional year to take us to March 2019. This allowed the server to be efficiently replaced and supported which has been the case since September 2017 and has been very reliable.

The scoring table outlined the marks allocated to each firm.

After discussion, the Board approved to appoint TSG for IT support for 3 years with an option to extend a further 2 years on the motion of Anna Stuart and seconded by George Kelly.

11. **RISK REGISTER /VFM – WORKSHOP 30TH NOVEMBER 2018**

Chief Executive circulated the revised Risk Register that had been revised by the Senior Management Team. A workshop has been planned for 30th November 2018 to take the board through the revised risk register, the Value for Money Strategy (approved last month) and the SWOT process.

8.00 pm - Standing Orders

12. **POLICY DEVELOPMENT/REVIEW**

Board Members Induction Policy – **approved**
 Board Member Recruitment Policy – **approved**
 Board Member Learning Development & Support Policy – **approved**
 Notifiable Event – **approved**

Training will be arranged for Board Members in the New Year.

13. **GDPR UPDATE**

Nothing to report.

14. **CORRESPONDENCE**

SFHA Chair's Conference, 1st & 2nd February 2019, Westerwood Hotel: Chair and Vice Chairperson intimated that they would like to attend.

Google Business Review: 2 excellent reviews were received

SFHA Housing Strategy 2018/21: Copy of Strategy available from the Association's offices

Thank you card: Card received thanking the Association for the Harvest Festival.

15. **APPLICATIONS FOR MEMBERSHIP**

The Board considered 4 membership applications as outlined by the Corporate Services Manager.

The Board noted the eligibility of the applications had been checked.

The Board noted and unanimously approved for the members to be added to the Share Membership Register and that Share Certificates would be issued.

16. USE OF SEAL

The use of seal was used on 6 occasions.

17. ENTITLEMENTS, PAYMENT AND BENEFITS

City Building donation of 500 x selection boxes for the Association's panto.
De-minimus gifts from contractors for Staff Christmas raffle

18. NOTIFIABLE EVENTS

Nothing to report

19. SUBSIDIARY & SUB-COMMITTEE DECISIONS MADE BETWEEN 1ST NOVEMBER – 28TH NOVEMBER 2018

Group Audit Sub Committee – 8th November 2018

Internal Audit Returns – Scoring process

Approved to offer Wylie & Bisset the contract

The Board noted the subsidiary and sub committee decisions made between 1st November – 28th November 2018.

20. **HEALTH & SAFETY/HWL**

H&S: No issues to report. H&S Committee minutes from meeting held on 19th November 2018 were noted. H&S Committee meetings will move to every 2 months instead of monthly.

HWL: Ongoing work to meet the criteria to sustain the Gold Award.

21. **A.O.C.B**

Cash for Kids: £9,175 due in on 7/12/2018. Regeneration Manager will uplift funds on 10/12/18. If there is a delay in receiving funds from Cash for Kids, the Board's approval is sought to uplift funds from bank. **The Board approved this request on the motion of Anna Stuart and seconded by Evelyn Ferguson.**

Glasgow City Mission: The Board unanimously approved to donate £1,000 from it donation budget to the Glasgow City Mission's Night Shelter Appeal.

Membership Renewals: SFHA (Scottish Federation of Housing Associations); GWSF (Glasgow West of Scotland Forum); SHARE and EVH (Employers in Voluntary Housing). The CEO informed the Board that he will bring back to the next meeting all subscription renewals, the associated costs and benefits.

CEO Recruitment: 24 Applicants; 8 selected for long list interviews and 5 selected for Interview on 6th December 2018

Christmas Tree: A tree will erected at the front of the office and the official switch on of the lights will be 5th December 2018.

SHARE Conference 2019, 1-3 March 2019: 4-6 reservations will be made at the conference. CEO and Regeneration Manager are hosting a workshop at the conference. If interested contact Corporate Services Manager – if oversubscribed, names will be pulled from a hat. Anna Stuart, Julie McNeil, Evelyn Ferguson, Jim Garrow and George Kelly expressed a wish to attend.

Dates for Diary: Board Training dates were circulated to the Board for their diaries

22. **DATE OF NEXT MEETING**

Wednesday 19th December 2018 at 12 noon

There being no further business the meeting concluded at 8.35 pm

Signature:
Chair of Board of Management

Date: