

**CASSILTOUN HOUSING ASSOCIATION**

**MINUTE OF MEETING OF BOARD OF MANAGEMENT**  
**HELD ON MONDAY 12<sup>TH</sup> AUGUST 2019 IMMEDIATELY PROCEEDING THE ASSOCIATION'S**  
**ANNUAL GENERAL MEETING**  
**IN CASTLEMILK STABLES, 59 MACHRIE ROAD**

**Present:** Anna Stuart MBE      George Kelly  
Evelyn Ferguson      William Craig  
Julie McNeil      Teresa McGowan  
Debbie MacKenzie      Kim McKee  
Chris O'Brien

**In Attendance:** Clair Malpas      Chief Executive Officer  
Paula Brownlie      Corporate Services Manager  
Gamal Haddou      Director of Finance/IT

**1. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES**

Barbara Dusik was welcomed to the meeting in the capacity as an observer. Barbara is wishing to become a co-opted board member.

Apologies were received from Richard Sullivan.

**2. CONFLICT OF INTEREST (PERMANENT REGISTER)**

None

**3. INTRODUCTION AND WELCOME TO NEW MEMBERS**

Anna Stuart introduced and welcomed Chris O'Brien, new board member to the Board of Management. Chris will be allocated a mentor to take him through the processes at board meetings.

**4. ELECTION OF OFFICE BEARERS**

Chairperson:      George Kelly      Proposer:      Anna Stuart MBE  
Seconded:      William Craig

As there were no other nominations for Chairperson, George Kelly was elected as Chairperson. This was unanimously approved by the Board.

Vice Chair:      Teresa McGowan      Proposer:      William Craig  
Seconded:      Evelyn Ferguson

As there were no other nominations for Vice Chairperson, Teresa McGowan was elected as Vice Chairperson. This was unanimously approved by the Board.

Secretary: Evelyn Ferguson      Proposer: Anna Stuart MBE  
 Seconded: George Kelly

As there were no other nominations for Secretary, Evelyn Ferguson was elected as Secretary. This was unanimously approved by the Board

Treasurer: Julie McNeill      Proposer: Anna Stuart MBE  
 Seconded: Evelyn Ferguson

As there were no other nominations for Treasurer, Julie McNeil was elected as Treasurer. This was unanimously approved by the Board

**5. NEW BOARD MEMBERS INDUCTION**

The Chief Executive Officer intimated that the Induction Programme for the recently appointed Board Member will be implemented. The Corporate Services Manager will liaise directly with the new Board Member.

**6. SUB COMMITTEE MEMBERSHIP**

Regeneration & Development	Anna Stuart; George Kelly; Teresa McGowan; Evelyn Ferguson; Julie McNeil
Operations:	Anna Stuart; George Kelly; Teresa McGowan; Julie McNeil; Evelyn Ferguson
Staffing:	Anna Stuart; George Kelly; Teresa McGowan; William Craig
Group Audit:	Julie McNeil; Anna Stuart; George Kelly; Evelyn Ferguson

**Membership of the above Sub-Committees were noted and unanimously approved by the Board.**

**7a. MANAGEMENT ACCOUNTS – JUNE 2019**

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

This was the second set of accounts so far this year and covers 3 months, April – June 2019.

The three month management accounts were submitted to Barclays and CAF Banks on 25<sup>th</sup> July 2019.

The deficit before accruing 3 weeks rental income is £288k which arises from income just being 10 weeks. This is worse than our pro rata budget by £102k due to fabric major repairs of which £113k is rolled over from underspends in 2018/19. Without this carry over the three month position would be £11k better than the pro-rata budget.

There will be a delay in Castlemilk Drive and Crudens plan to start in January 2020. The budget assumed a site start of October/November 2019 and hence the £1.7 million will not be incurred this financial year. There will be £300,000 of costs this financial year.

HAG development/capital grant is £1.4million to date expected to be £1.6-£1.7 million when adding Castlemilk Drive.

Arrears are currently the same as at 31 March 2019 position, however we should be expecting it to be lower if comparing on a like for like basis.

The IT budget of £25k is for replacing the ageing desktop computers. However, this is now forecast to be £31k as a result of more users/equipment, installation time and encryption software onto 7 laptops. It will also include monitors being replaced and new licences for MS Office software at a very preferential rates. Pricing for the cloud version (Office 365) is per user per month coming to about £2.3k pa whereas we can obtain a 5 year cost for £1.8k.

Loan covenants are produced and interest cover is met once 3 weeks of rent income (£238k) is accrued for to take it to 30 June. Debt per unit is easily passed.

The timely production of accounts was missed due to annual leave and Glasgow Fair. The number of days to pay suppliers is 24 being outwith the target of 22. This is due to a handful of contractors issuing invoices with dates often 2 weeks before they are date stamped here in the office. As a result it is recommended the target is changed to 26 days for the remainder of this year. There has also been a significant rise in the quantity of invoices received up by 29% from a year ago. **The Board unanimously approved to change the target to 26 days.**

Variance in salary budget will take into account overtime required due to new developments coming off site and weekend/evening work.

***The Board unanimously approved the Management Accounts for June 2019.***

## **7b. BANK SIGNATORIES**

***Information redacted due to being commercially sensitive.***

## **7c. BARLIA 3 – STARTING RENTS**

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

With the renewal of the Rent Setting Policy recently and the Barlia 3 development coming off site, the starting rents for this site has recently been assessed. Recognition also is made of the Scottish Government guidance note referring to benchmark rents and the most recent of these commenting that any proposed rents that are above 5% from the benchmark will not result in any HAG grant being offered. Of course this is for future developments however previous discussions with Glasgow City Council have indicated that 5% above benchmark would require a special concession or argument.

During the project appraisal with Paul McNeil, the expected starting rents would bring in £201,360 on a full years basis. This was based on exceeding the Scottish Government benchmark by 7.3% for a 2 bedroom property and using £380 per month rent charge for this size.

During grant negotiations with the City Council the starting rents were discussed and parameters agreed in principle that would not delay the project but limit the overall total of income to be no more than 5% above the benchmark total. This would also help with tenant affordability and avoid a significant gap between our existing rents and the premium on new build properties for their high net construction cost.

Appendix 1 of the report outlined the proposed starting rents for each of the 42 addresses which is consistent with the Council's expectations. Development Consultant and Director of Operations have been consulted on these and it recognises the relevant year of the current 2019/03 SG benchmark. This totals £190,270 on an annual basis. To be equitable 4 properties have a £130 per annum charge for a garden and £65 per annum for private door access not being in a tenement. Therefore to meet the overall benchmark criteria a number of other properties have a corresponding modest £85 per annum reduction or some mix of the above.

### **Business Plan Affordability and 1 April 2020 Increase**

The development will be £11,090 short on the first years rent income compared to the appraisal amount. Of course there are a myriad of unknown and variable running and maintenance costs in year 1 that are assumed to be £46,200 plus CAF loan interest and capital of £169,292.

The Board were asked to consider whether to apply or not to apply a rent increase on the Barlia 3 properties on 1 April 2020 in line with the usual process of consultation and business need.

After discussion, various board members intimated that the rent increase should apply to Barlia 3 properties just like all other properties. Tenants moving into new homes will save monies due to the homes being for environmentally friendly and efficient.

After discussion, the decision **not** to apply a rent increase on the Barlia 3 properties on 1 April 2020 was taken to a vote.

In favour: 4

Against: 5

The rent increase will apply to Barlia 3 properties on 1 April 2020.

The Board noted the variation from the starting rents to the business plan amount being £11k lower.

All tenants should be informed of the rent increase on 1 April 2020 when signing up for their new homes.

## **8. WEBSITE PROCUREMENT**

The Chief Executive Officer presented the above report previously circulated with the agenda.

It has been identified that the Housing Association and Trust websites are no longer functioning effectively and that the Nursery website was difficult to maintain and has been closed down for over 2 years due to a virus attack.

A modest budget was set in the Group budgets to renew and update the websites.

The existing website was developed (and is still hosted by) Kiswebs in 2010. As Information Technology evolves and develops at an increasing pace it is recommended that websites are redesigned to take into consideration new functionality every 3- 5 years.

Due to the Housing Association sector falling under the requirements of the Freedom of Information Act there is more impetus to ensure that we have a website that is user friendly and easy to maintain and update.

A budget of £5,000 was set for the website redevelopment which means under Cassiltoun procurement policy a procurement exercise is not necessary. However taking into consideration that we would be procuring 3 websites and an App for the Group, a Quick Quote/Procurement option was considered.

The Chief Executive intimated that she had spoken to various RSL's who had recently gone through a website procurement exercise of a similar value to ourselves (less than £10k), they received in excess of 50 tender bids with varying quality. Kiswebs were either the second place or the first placed company based on price and quality.

Based on others procurement experience, our own satisfaction with the relationship with Kiswebs and the costs in terms of time inviting other organisations to tender, the Senior Management Team took the decision to negotiate directly with Kiswebs.

### **Costs**

***Information redacted due to being commercially sensitive.***

**After a detailed discussion, the Board unanimously approved to appoint Kiswebs to redevelop the Association's web site and the two subsidiary web sites.**

## **9. GDPR/FOI**

**GDPR:** There have been no GDPR requests.

**Freedom of Information:** The Association is preparing for the implementation of FOI on 11<sup>th</sup> November 2019. Information and Guidance has been produced by SFHA/GWSF. Officers are attending seminars to enhance their knowledge on the legislation and processes for implementation of Freedom of Information. The Board will receive an updated report at their Board meeting in September 2019.

## **10. CORRESPONDENCE**

**SHARE: "Governing Body Exchange Conference, 4 & 5 September 2018, Seamill Hydro:** Anna Stuart MBE to attend on behalf of the Association.

**SFHA Governance Conference, 6-7 September 2019:** George Kelly, Chair to attend on behalf of the Association.

**Letter from Jim Garrow, Board member:** Letter from Jim Garrow intimating that due to ongoing health reasons, it is with the deepest regret that he needs to resign from the Board of Management. The Board accepted Jim's resignation and thanked Jim for all his hard work and commitment whilst serving on the Board and wished him a full recovery.

**GWSF AGM and Open Meeting, Thursday 15<sup>th</sup> August 2019 at 6.30 pm:** Details to be forwarded to the Board.

**11. APPLICATIONS FOR MEMBERSHIP**

The Board considered 3 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.

**12. USE OF SEAL**

The use of seal was used on 6 occasions.

**13. ENTITLEMENTS, PAYMENT AND BENEFITS**

None

**14. NOTIFIABLE EVENTS**

None

**15. HEALTH & SAFETY/HWL**

**H&S:** No issues to report. ACS carrying out H&S Audit on Wednesday 15<sup>th</sup> August 2019.

**HWL:** Ongoing work to meet the criteria to sustain the Gold Award. Three year Health Strategy to be brought to the Board for approval at their next meeting.

**16. A.O.C.B**

**SE4:** William Craig enquired if there was any update on SE4. The Chief Executive Officer informed the Board that OSCR had written to the Association with a list of questions regarding the charitable objectives. A response has been collated and forwarded to OSCR.

**Holiday Hunger Programme and Summer Events/Activities:** Debbie MacKenzie congratulated Paddy McKenna and her team and the rest of the staff for a successful summer of events. Feedback from tenants have been very positive.

**17. DATE OF NEXT MEETING**

Wednesday 25<sup>th</sup> September 2019 at 6.00 pm

There being no further business the meeting concluded at 9.18 pm

Signature:  
**Chair of Board of Management**

Date: