

CASSILTOUN HOUSING ASSOCIATION

MINUTE OF MEETING OF BOARD OF MANAGEMENT
HELD ON WEDNESDAY 27TH JANUARY 2021 AT 6.00 PM
VIRTUAL ZOOM MEETING

Present: George Kelly Anne M Stuart MBE
Teresa McGowan Richard Sullivan (Left meeting at 7.25 pm)
William Craig Chris O'Brien
Kim McKee Julie McNeil

In Attendance: Clair Malpas Chief Executive Officer
Fiona McGowan Director of Operations
Gamal Haddou Director of Finance & IT
Paula Brownlie Corporate Services Manager

1a. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES

George Kelly, Chairperson welcomed everyone to the meeting.

Apologies were received from Evelyn Ferguson. Debbie MacKenzie is currently on leave of absence.

The Board were reminded that they were to speak through the Chair and to raise their hand if they wanted to ask a question.

1b. QUORUM

As per the Association's Rules, the Quorum for the Board of Management Meeting stands at 4 members. Today's meeting is therefore quorate.

2. CONFLICT OF INTEREST (PERMANENT REGISTER)

None

3a. MINUTE OF MEETING HELD ON 16TH DECEMBER 2020

The minutes were then noted and approved on the motion of Anna Stuart MBE and seconded by Teresa McGowan.

3b. MATTERS ARISING FROM MINUTE OF MEETING HELD ON 16TH DECEMBER 2020

None

3c. ACTION LIST FROM MINUTE OF MEETING HELD ON 16TH DECEMBER 2020

Chief Executive Officer gave an update against the action list from meeting held on 16th December 2020.

- Item 1 Dates have been set with the Board for workshops to take place on 28th January and 1st February 2021
- Item 2 Dates to be arranged and sent out to Board starting in April 2021
- Item 3 Completed
- Item 4 Completed
- Item 5 Completed
- Item 6 Completed
- Item 7 Completed
- Item 8 Vouchers were not purchased for volunteers. They were all issued with Wellbeing Packs

4. CHAIRS REPORT

The Chair reported.

22nd December 2020: Attended Emergency Meeting with the Nursery Board re closure of nursery as per Scottish Government guidelines. Nursery will remain open for key worker and vulnerable children.

14th January 2021: Attended Regeneration Sub Committee. Actions and decisions are reported under agenda item 16.

The Chair's report was noted.

5. OPERATIONAL REPORTS

The Director of Operations presented the above reports previously circulated with the agenda.

5a. Operations Service Performance

A few points to highlight are:-

Arrears: Arrears have been an issue this year due to COVID-19. Total arrears are currently sitting at £194,430.83. This is over £100k more than last year.

There is also an increase in 94 arrears cases that the team are currently pursuing.

Voids: Again, due to COVID-19, voids are taking longer to let due to the length of time it takes properties to come back.

Newbuild: All properties have been allocated.

Advice Team: The Team are very busy assisting clients. We have received funding for a freelance Welfare Rights Officer from now until the end of March 2021. The person has settled in well and is already making a difference to the workload of the team.

Anna Stuart enquired of the issue with regards to Smart Meters. Director of Operations confirmed that at times we do not know who the provider is which we need to then investigate. Once this has been confirmed, the provider sends codes that do not work. This is an ongoing issue city wide. The Chief Executive reported that she attended the Resilience Group meeting yesterday and it was reported that the SFHA and GWSF are collating information across the sector on this issue. This has been an issue for years but with COVID the matter has escalated. The Scottish Government as part of the Resilience Group will feed back that this is a reason for the delay in voids getting processed.

Richard Sullivan enquired of the cost for the Freelance Welfare Rights Officer and what will happen after March 2021 when the funding ends. The Chief Executive confirmed that the Freelance Welfare Rights Officer is funded via a grant obtained from GWSF. The funding received was £12,500. However, we have applied for an uplift and are awaiting confirmation as to whether we have been successful. If we are successful we will extend this contract until the end of May 2021.

5b. Technical Service Performance

Major Repairs: All major repair programmes have ceased due to the recent lockdown restrictions. Director of Operations will be looking at the budget for next year and will be looking to see if we can finish this year's major repairs programme as well as completing next years programme.

Repairs: As the Board are aware, the current lockdown restrictions have stipulated that we can only do Emergency Repairs. The Association has been receiving complaints from tenants regarding repairs not being carried out. The Association need to follow Scottish Government guidance and this is outwith our control.

Factoring: Arrears are reducing, now sitting at £37,178. 92 owners are in arrears.

Voids: Teresa McGowan enquired if tenants are not cleaning their properties before they leave. Director of Operations confirmed that some are but where there are abandonments this is not the case. However, the properties still need to be sanitised as per COVID-19 rules and as a result, the property takes longer to let.

5c. Equality and Diversity Information

Director of Operations confirmed that there has not been much change in the statistics. There are no major trends to report. Richard Sullivan enquired if the information is updated monthly to reflect all our tenants. Director of Operations intimated that when reports are produced, the information is up to date. Richard Sullivan enquired if we have seen an increase in mental health problems over the last few months. Director of Operations confirmed that nothing has shown up, however with the increase in anti social complaints, we can see the effect COVID is having on tenants.

5d. Proposed appointment of contractors for Stair Cleaning and Environmental Maintenance Contracts 2021-2024

As the Board are aware, the Stair Cleaning and Environmental Contracts 2021-2024 have been out to tender.

A robust procurement process was followed. The figures and quality have been checked by both Tom Aitkinson, Quantity Surveyor and Laura Edwards, Development Consultant.

Based on the tenders received, Board approval was sought to appoint

CAS – Stair Cleaning Contract
 Ground Control – Environmental Maintenance Contract

Anna Stuart intimated that CAS had provided Stair Cleaning services to the Association before. Director of Operations confirmed that CAS had provided a great service to the Association in the past but informed the Board that CAS has been bought over by a new owner. The Association has carried out all due diligence checks and all is satisfactory.

Teresa McGowan enquired of Ground Control. Director of Operations confirmed that the Association had not worked with them before, however, all due diligence checks had been carried out.

Julie McNeil intimated that she had the same concerns regarding Ground Control as she had not heard of them before. Director of Operations confirmed that it is always a worry when taking on new contractors. However, all due diligence checks had been carried out.

Richard Sullivan enquired of the terms of quality and what do we look for. Director of Operations confirmed that the normal process followed to determine quality is by interviewing the contractor and asking them questions. However, due to COVID-19, contractors were asked to complete a written assessment. They were marked on their answers. The Chief Executive also confirmed that in normal times, we carry out on-site inspections of contractor’s work.

Julie McNeil enquired of our plans for bringing Stair Cleaning and Environmental work inhouse. Chief Executive intimated that as the Board are aware, this has been put on hold due to COVID-19.

Director of Finance & IT confirmed that financial checks were carried out on both contractors. Ground Control are a large organisation whereas CAS is much smaller. Both companies passed a CreditSafe check.

After discussion, the Board unanimously approved to appoint

***CAS – Stair Cleaning Contract for 2021-24
 Ground Control – Environmental Maintenance Contract for 2021-24***

5e. Customer Services Assistant (Technical)

As the Board are aware, approval was granted at the last Board Meeting to appoint a Customer Services Assistant (Technical) for a two-year fixed term contract. A copy of the job description and person specification was circulated for their information. Minor changes have been made with regards to qualifications since circulation to the Board.

5f. Recruitment Timetable – Customer Services Assistant (Technical)

The Director of Operations presented the Recruitment Timetable for the post of Customer Services Assistant (Technical) and enquired if a Board Member would be available to sit on the interview panel. Anna Stuart and Richard Sullivan registered their interest. Director of Operations to pull a name from a hat to determine who would sit on the interview panel.

5g. Factoring Policy

The Director of Operations reported that the internal auditor highlighted during their audit that the arrears and credit write-offs were not contained within the policy and the lines of responsibilities for staff were also not included. A full review was carried out of the policy and took into account the recommendations from the Auditor.

Teresa McGowan enquired if there needs to be a change because of the reduced service from the Cleansing Department. Director of Operations reported that there does not need to be any changes to the policy but there will be changes to costs and procedures.

After discussion, the Board unanimously approved the Factoring Policy.

5h. Annual Letting Plan

Director of Operations reported that as the Board are aware, we review the Annual Letting Plan annually.

The Plan highlights performance for 2019/20 and 2020/21 and our targets for 2021/22. The undernoted targets have not been set

Days to relet
Void loss
Offers refused

as we still need to have discussions on budgets for 2021/22 and the Operation Service Plan which the Board will have an input in setting Key Performance Indicators (KPIs).

Richard Sullivan enquired of allocations for section 5 referrals and that the figure 43% seemed quite high. Director of Operations confirmed that the figure for section 5 referrals stood at 24.47% and this was higher as the Association were assisting due to the pandemic.

After discussion, the Board unanimously approved the Annual Letting Plan.

Julie McNeil asked for her thanks to the passed onto the staff team and Amanda McDermott, Receptionist for all their hard work during this time.

Anna Stuart enquired if the letter from Kevin Stewart, Minister for Local Government, Housing and Planning letter could be sent out to all tenants informing them of what repairs we can carry out. *(Sentence redacted as contains sensitive information)*. We have notified tenants of what services we can provide via social media.

6a. MANAGEMENT ACCOUNTS - DECEMBER 2020

Director of Finance & IT presented the Management Accounts for December 2020. Once approved by the Board, they will be issued to our three banks.

Main issues to highlight:-

- Complexities because of a lot more grant income, 3 developments, changes
- COVID-19 implications and its impact
- Interest rates at a long term low

- New borrowing started and major repairs now on hold

Reactive maintenance: all invoices have been received and we are up to date with our processing.

Our overall surplus stands at £602,000. Our budget surplus was expected at £406,000. This figure is due to having less reactive maintenance and major repairs being carried out.

Amortized HAG forecast predicts there will be £48k less value to show as we couldn't amortize this until the Barlia properties were completed. This matter is less important as it is not cash based.

Grants and other income are much higher than the budget - digital participation equipment, staffing, community activities and £37k furlough grant for nine members of staff. The grant for the cycle shed has been removed and treated as a creditor since the equipment will not be purchased this year.

Major repairs have ceased as previously reported. A £200k invoice will be processed in January and beyond that there will be very little to pay out. The forecast has been changed to reflect this.

Reactive maintenance is sitting below the budget level.

CAF borrowing – our first drawdown of £1m took place in December 2020.

Nationwide – one of our loan balances of £300,000 came off the fixed rate and goes onto the variable rate. This will save us around nine times the amount of interest to be paid.

HAG for Castlemilk Drive – we have increased the allocation this year as we know that DRS have promised us in excess of £3.3m.

Over the three development sites we have incurred a spend of £2.6m. Crudens extension of time claim came in at £54,000.

Arrears have increased and will increase further for the March 2021 year end.

Our new rent collection system went live in November and direct debits in December. Next Monday we will go live with post office payments.

The nursery subsidiary loan has been paid in full - £60k.

KPIs and Covenants have all been achieved.

After discussion, the Board unanimously approved the Management Accounts for December 2020.

6b. SUBSIDIARY MANAGEMENT ACCOUNTS

The Director of Finance & IT intimated that the Subsidiary Management Accounts had been circulated to the Board for their information.

The Board noted the subsidiary Management Accounts.

6c. ANNUAL TREASURY REVIEW

Director of Finance & IT presented the Annual Treasury Review report which had been previously circulated with the agenda.

It is considered good practice by the Scottish Housing Regulator to undertake a review of treasury operations at least annually and report this back to the Board.

The Association signed a loan facility with CAF Bank (*redacted as contains commercially sensitive information*), in October 2018 for the Barlia and Castlemilk Drive developments with the first drawdown delayed from May 2020 to December 2020 due to the impact of Covid-19 and the late completion. (*redacted as contains sensitive information*).

The impact of the December CAF drawdown is very limited for the purposes of this report as it only occurred on 14 December and no interest will show until 19 January 2021.

One of the fixed interest rate tranches for Nationwide expired on 1 December and the Association can now benefit from a 9 times decrease in the interest rate. (*Redacted as contains sensitive information*). This change helps us take a small step towards the treasury policy goal of 30% fixed and 70% variable basis. Once the CAF loan is fully drawn then the policy goal will be met.

The current variable rates remain exceptionally very low and imply that the certainty of having fixed other loans is costing £164k higher interest this year (last year £115k). Therefore, to realise the benefits of having the fixed loans the variable interest rate needs to be above 6%.

The fixed rates and consequential higher interest charge has a negative effect on maintaining one of the covenants, namely interest cover. The 2019 business plan agreed with Paul McNeill has the major repairs spend annual profile restricted to £1.5 million the following six years. The plan had expected £1.3m to be invested this year whereas actual investment will be about £0.5m and hence the covenants do not allow this underspend to be automatically rolled over without affecting planned work for 2021/22.

The Board noted and unanimously approved the Annual Treasury Review Report.

7. PROPOSED RENT INCREASE 2021-22

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

As the Board are aware, the Association should review its income level and budget setting each year which will cover all areas of operations. The formal budget will be presented to the Board for approval at their meeting on 24th March 2021.

To help provide a framework an indicative budget as well as the business plan, extracts of which were circulated to the Board as part of this report. It is a requirement to give a minimum of 4 weeks notice to tenants of any new rent.

The Association needs to take into account the financial environment as well as initiatives and ideas from the government and our stakeholders when reviewing the rent increase. Average bank interest rates are even lower than a year ago and are expected to stay low for the next few years. RPI is quite lower than last year and the latest measure was published on 20th January 2021 (0.9%). The Association's current spending on management costs is 2% lower than a year ago and reactive maintenance 43% lower. COVID has thrown the

present year into an unusual position of the materially lower spending on repairs and maintenance. The national minimum living wage (national wage) is increasing for adults by 2.2% in April 2021 although other people's salaries throughout the UK are generally increasing by much lower. The UK average cost of living increase is 1.9%.

The rent increase consultation was similar to last year using an external firm to obtain a random sample of at least 100 replies, as well as from our newsletter article and emails sent in.

The options were 1.6% and 2.5%. Respondents were also able to suggested other rates for rent increases.

There were 17 responses received directly by the Association and 148 from the external survey carried out by Research Resource.

From the replies overall 125 people, said their rent was affordable with 4 people saying it was very difficult to afford. The remaining 19 people said that the rent is fairly difficult to afford. This outcome will be impacted by receiving full housing costs paid compared to those who receive no housing benefit help.

Of those who responded, 92 agreed a 1.6% increase and 28 agreed a 2.5% increase.

A recent poll of 44 other Housing Associations circulated by GWSF between November – December 2020, shows that most are looking to increase their rents between 0% - 2.0%.

(Paragraph redacted as contains commercially sensitive information).

Our proposal of 1.6% is the lowest rent increase in 10 years. If we compare the proposal with the business plan, both produce an accounting surplus, both have decreased cash in the bank but going below will have implications on our Business Plan and funding. Paul McNeil has highlighted in the past to the Board cash balances falling too low.

Kim McKee intimated that the benchmarking information was very helpful and reflects quite well with the options that we have put forward. Research Resource survey information was very valuable and if we are going to be using them on an annual basis. The Chief Executive intimated that we had used them last year but due to COVID we used them again. However, this is a Board decision as to whether we spend this money annually.

Chris O'Brien enquired if staff will be contacting the people who had responded regarding their comments to ascertain financial difficulties, repair issues etc. Director of Operations intimated that a lot of the responses that had come back through Research Resource are anonymous. If responses came straight to the Association, we would respond.

The Chief Executive intimated that when we inform tenants to let them know of the decision on the rent increase, we can ask them to come back to us with any issues in relation to financial difficulties, repairs etc.

Julie McNeil intimated that the report was very detailed and gave a lot of information and it gave the Board a lot of confidence when they are making a decision.

Director of Finance & IT highlighted an example of where we benchmark against other Housing Associations with respect to rents per week. These 2021/22 rents are based on what we believe their rents are going up by

3 apartment properties

	Per week
Craigdale	£77.00
Cassiltoun	£81.04
Ardenglen	£81.14
Scottish Average	£85.00
GHA	£88.00
Northview	£91.00

Cassiltoun benchmarks well against other organisations.

(Redacted as contains sensitive information).

Teresa McGowan intimated that reading between the lines a lot of tenants don't feel they are getting value for money. *(Redacted as contains sensitive information).*

The Chief Executive intimated that prior to COVID we aimed to have a Tenants Conference where these areas could be discussed.

Kim McKee intimated that a lot of housing research highlights that tenants dissatisfaction is normally in repairs. COVID will have had an impact on our services and repairs and what we can provide to tenants.

Julie McNeil stated that she thinks a lot of dissatisfaction comes from tenants in older properties and the lack of repairs being done.

After further discussions, the Board unanimously agreed on a 1.6% rent increase to tenants effective from 1st April 2021.

It was also unanimously approved an increase of 1.6% to the Talbot Association for Buchanan Lodge effective from 1st April 2021.

Teresa McGowan enquired if the 1.6% increase takes into account the additional costs for bulk upload charges. Director of Finance & IT intimated that this will be discussed when looking at the budget for 2021/22.

8. **CORPORATE/HR REPORT**

Corporate Services Manager presented the above report previously circulated with the agenda.

Absence figure stands at 0.18% (Quarter 3)

Details of board attendance at training was reported. KPI of attending 4 training courses has been set. Julie McNeil enquired if this figure was per financial year or board term year. Corporate Services Manager confirmed that this would be the board term year, AGM – next AGM.

The Board noted and unanimously approved the contents of the Corporate/HR Report.

9. **COMPLAINTS REGISTER**

Corporate Services Manager presented the above report previously circulated with the agenda. The complaints report detailed complaints received during 1st October – 31st December 2020. There were 9 complaints received

8 – 1st Stage received

1 – 2nd Stage (progressed from 1st stage)

1 – 2nd Stage (progressed straight to 2nd Stage)

The Board noted and unanimously approved the contents of the Complaints Report.

10. GDPR/FOI

10a. Quarterly Return to Scottish Information Commissioner

The Chief Executive informed the Board that we have received correspondence from the Commissioner regarding a complaint raised with them regarding the Association not providing the correct information as per a SAR/FOI request.

The Association had released all the information that we had on file. In liaison with our Data Protection Officer, a response was issued to the Commissioner.

The Commissioner has responded and confirmed that the matter had been concluded.

The Corporate Services Manager presented the Quarterly Return to the Commissioner previously circulated with the agenda.

The Board noted and unanimously approved the contents of the quarterly return to the Scottish Information Commissioner.

11. CORRESPONDENCE

Letter of thanks: Letter of thanks was received from the tenant (redacted as contains personal information) for receiving her new home

Letter of thanks: Letter of thanks was received from the Christmas Gift Bank for the donation of £150 donation

SFHA Housing Now, Housing's Future: Copy of programme to be circulated to the Board. If there are more than two members interested in attending, names will be drawn from a hat.

Email of thanks from a tenant: Thanking the Association for the voucher that she had received.

12. NEW MEMBERSHIP APPLICATIONS

None

13. **USE OF SEAL**

None

14. **ENTITLEMENTS, PAYMENTS & BENEFITS REGISTER**

None

15. **NOTIFIABLE EVENTS**

The Chief Executive informed the Board that there is one notifiable event at present: -

1. Ongoing operational issues regarding COVID which the SHR have indicated that they would wish to remain live.

16. **SUBSIDIARY & SUB-COMMITTEE DECISIONS & MINUTES MADE BETWEEN 17TH DECEMBER 2020 – 27TH JANUARY 2021**

Regeneration Sub Committee Meeting – 14th January 2021

Homes by the Park Site - Delegated authority given to the Director of Operations to sign off on further design and specification developments prior to the Planning Application being made in late March 2021. Director of Finance to sign off the viability of the project.

Approval granted to progress to RIBA Stage 4 (Technical Design Stage) once planning application has been submitted.

Strategy and Development Funding Plan – Board retrospectively approved the funding bid for submission to Glasgow City Council

Approval to Delay the review of Handover of Completed Building Policy until April 2021.

The Board noted the Subsidiary and Sub Committee decisions.

19.25 pm – Richard Sullivan left the meeting

17. **HEALTH & SAFETY/HWL**

H&S: COVID Risk Assessment has been reviewed as per recent Scottish Government guidance. It had been issued to all staff for comment and no concerns were raised.

HWL: Assessment against the HWL Gold Award has been delayed until April 2021. Staff have been set a challenge to walk during the month of February 2021. We will total the amount of miles walked collectively by staff members at the end of February 2021.

18. **AOCB**

Change of Job Title: Community Team Coordinator to Community Development Manager

The Chief Executive reported that the change of job title will assist the current postholder in external meetings/discussions for title to reflect 'management' responsibilities (both of staff and budget). There are no additional salary implications or changes to job description.

After discussion, the Board unanimously approved to change the job title of the Community Team Coordinator's to Community Development Manager.

Hoddam Shop: As the Board are aware, the shop in Hoddam have made an application for a licence to sell alcohol. A letter of objection has placed. No response has been received to date.

ITT for Digital Transformation: The Chief Executive reported that we had received funding of £10k to appoint a consultant to look at our use of digital. An invitation to tender for this work has been placed. Return date is 11th February 2021. The Chairperson agreed to sit on the tender return and interview panel.

New Board members – view of the Board: The Chief Executive intimated that she had been approached by a professional from another Housing Association to join our Board. Other Housing Associations had also been contacted. She had contacted the officer bearers for their views and they were of the opinion that it would be a good idea.

The Chief Executive sought the opinion of board members if she was approached again. Teresa McGowan raised her concerns regarding professional board members joining the Board. The Chief Executive intimated that we will endeavour to recruit tenant board members but we need to be open for opportunities.

Digital Inclusion: Our Digital Inclusion team is available to assist with any aspects of IT or digital inclusion.

RCGF and wider discussions and implications for next steps for Homes by the Park Planning Application: The Chief Executive informed the Board that we had not been successful in receiving funding for the Social Enterprise Centre. Laura Edwards will attend the next board member to outline the steps of the planning application for Homes by the Park. The Social Enterprise Centre was part of the application and current design. There are issues with respect to the land acquisition. There are discussions within the Council as to whether the land is for social housing or whether it can be for social housing and houses for sale.

Cyber Essentials Accreditation: Director of Finance & IT informed the Board that we have received Cyber Essentials Accreditation.

19. DATE AND TIME OF NEXT MEETING

Wednesday 24th February 2021 at 6.00 pm

There being no further business the meeting concluded at 7.50 pm

Signature:
Chair of Board of Management

Date: