

CASSILTOUN HOUSING ASSOCIATION

**MINUTE OF MEETING OF BOARD OF MANAGEMENT
HELD ON THURSDAY 28^H OCTOBER 2021 AT 6.00 PM VIA VIRTUAL ZOOM MEETING**

Present:

George Kelly	Anne M Stuart MBE
Teresa McGowan	Chris O'Brien
Evelyn Ferguson	Julie McNeil
William Craig	Richard Sullivan (joined meeting at 18.25 pm)
Maureen Watson	Barbara Dusik (joined the meeting at 18.23 pm)

In Attendance:

Clair Malpas	Chief Executive Officer
Gamal Haddou	Director of Finance & IT
Fiona McGowan	Director of Operations
Laura Edwards	Development Consultant (Left the meeting at 18.29 pm)
Paula Brownlie	Corporate Services Manager
Shirley Robison	Observer

1a. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES

The Chairperson welcomed everyone to the meeting and welcomed our new Co-opted Board Member, Maureen Watson.

The Chairperson also welcomed Shirley Robison, Observer to the meeting. The Chair asked everyone to introduce themselves.

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

Apologies were received from Kim McKee.

The Chairperson sought the Board's approval to bring Agenda Item, 5 and 6 forward on the agenda. The Board approved.

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)

Agenda Item 7a – Corporate Services Manager

5. **PROGRESS REPORT – PROCUREMENT OF CONTRACTOR FOR GAS SERVICING 2022 - 2025**

Laura Edwards presented the above report previously circulated with the agenda.

As the Board are aware, we are required to procure a contractor for gas servicing for 2022-25. We have been through the first stage of the procurement advert. We received nine responses and we shortlisted 3 firms. *Item redacted as contains commercially sensitive information.*

The tender opening will take place on Friday 10th December 2021.

Delegated authority was sought to give the Director of Operations approval to score the Stage 2 written quality assessments and finalise the Stage 2 Balancing Quality and Price calculation for presentation to the Board in January 2022. ***The Board unanimously approved this request.***

Julie McNeil enquired if we are carrying out interviews. Laura Edwards intimated that we are seeking written submissions as the focus for Stage 2 is quality assessment and carrying out site visits to local operating centres to verify the written assessments. Scoring will be based on the written submission but may be adjusted depending on the findings at the site visits.

Anna Stuart and Julie McNeil (pending getting time off work) agreed to carry out the site visits. Evelyn Ferguson will step in if Julie is unable to get time off work.

George Kelly and Julie McNeill will attend the tender opening on Friday 10th December 2021.

The Board noted and approved the update with regards to the procurement of the Gas Servicing Contract for 2022-25.

6. **BASELINE REPORT ON SUSTAINABILILTY**

Laura Edwards presented the above report previously circulated with the agenda.

As the Board are aware, we have a Sustainability Policy which gets reviewed every 3 years. The policy focuses on development aspects ie use of sustainable boilers, dual flush toilets etc.. Last year at the review of the policy we agreed to expand the policy to a wider context and set some targets.

Laura Edwards explained that the SHR are likely to be taking more of an interest in what RSLs are doing with regards to Sustainability in the future.

The document circulated summarised what we are currently doing and how we intend to improve on sustainability, ie investment in major repairs, community and in the workplace.

Appendix 1 of the report outlines the current baseline position as to how we are currently meeting the aspirations of the Sustainability Policy along with an indication as to how we will identify actions we need to take to make improvements in our approach. The SMT will be reviewing this every 6 months with a view to proposing challenging but achievable targets on an annual basis, covering new developments, maintenance contracts general operations and office management.

Teresa McGowan enquired if we are working sustainability into our new build. Laura Edwards confirmed that we are ie the products and types of products that we use and the lifespan of the products. Our new build development at Castlemilk Drive needed to meet the GCC's Glasgow

Standard which has built into it many sustainability standards. If the Nursery Site goes ahead, we will need to be looking at sustainability in this site.

Teresa McGowan also asked re the electric ducts for electric cars. Laura Edwards confirmed that this is a standard requirement.

Julie McNeil enquired if the increase of sustainability in our properties etc would have an impact on our Business Plan. The Director of Finance & IT confirmed that there will be definite costs. Discussion among RSLs are enquiring if HAG rates are sufficient to allow for sustainability and extra costs within the development process. We will need to be looking at it for our existing stock and not just newbuild.

George Kelly intimated that the Association are currently looking at sustainability with regards to ESSHH2.

18.23 pm - Barbara Dusik joined the meeting.

Evelyn Ferguson intimated that we will need to look at fuel poverty in our new build programmes. Laura Edwards confirmed that in the newbuild properties we use the right materials to get good insulation etc. We achieve good quality “fabric first” design.

Laura Edwards confirmed that we have a sustainability consultant for the Nursery Site. If we move forward with the Nursery Site, sustainability will have moved on as it is a fast moving topic and they will be able to advise us accordingly.

Anna Stuart intimated that when visiting the Castlemilk Drive site, it was evident through the heat of the properties that sustainable products were used.

18.25 pm – Richard Sullivan joined the meeting.

Julie McNeil commented that one of our biggest challenges going forward will be in regards to our old stock.

Director of Operations confirmed that in response to the Stock Condition Survey and when we got out to procure our Major Repairs Contractors we will be looking at sustainability.

The Board noted and approved the contents of the Baseline Report on Sustainability.

18.29 pm - Laura Edwards left the meeting.

3a. MINUTE OF MEETING HELD ON 29TH SEPTEMBER 2021

Amendment to the Minute of meeting held on 29th September 2021 : Small minor typing errors to page 7, page 9 and page 11. Minutes to be amended.

The minute of meeting held on 29th September 2021 where noted and approved on the motion of Anna Stuart MBE and seconded by Chris O’Brien.

3b. MATTERS ARISING FROM MEETING HELD ON 29TH SEPTEMBER 2021

Page 7, Item 5b: Technical Service Performance: The Chief Executive informed the meeting that the matter in relation to the window programme in the Ballantay area with Sidey

is still outstanding. We are still awaiting the costs from Sidey with regards to the additional requirements. Director of Operations is in regular talks with Sidey and it is hoped that we are able to provide the Board with an update at the next Board meeting.

Page 10, Item 7: Request for housing Afghanistan Refugees: The Chief Executive intimated that the Director of Operations had received further information yesterday re the requirements and it is proposed to come back to the Board with any proposals at the next meeting.

3c. ACTION LIST FROM MEETING HELD ON 29TH SEPTEMBER 2021

1.	Asbestos Management Plan will be presented as part of the next Operations Technical Report	Housing Manager (Property)	Outline of plan being presented to H&S Committee Monday 21 st June 21, plan will then be created and presented to future Board Meeting as part of Technical Report
2.	Scottish Government have issued guidance on ESSH2 and workshops have been set up to take Board through the guidance on 11th August 2021 and 18th August.	Housing Manager (Property)	DoO has confirmed that we cannot progress with workshops pending the completion of the Stock Condition Survey.
3.	The Board unanimously approved to procure a contractor to fulfil the terms of the funding from the Social Housing Fund for Improved Walking and Cycling Facilities.	DoO	Project Plan in Place Board, QS working on Brief will be updated through next operational report.
4.	Benchmarking on reactive repair costs to be carried out Qrt 3	DoF/IT	Report to be carried out by Quarter 3
5.	Board recruitment – Board agreed to wait until after AGM which will give time for Comm Dev Manager to assess community uptake	CEO	Ongoing
6.	Complaints Report to include comparison with 2019/20	CSM	Included in Complaints report being presented to Board at meeting on 28 October 2021
7.	Review of office opening hours at the end of December 2021	CEO	To be reported at Board meeting in November 2021
8.	Court actions approved	HM(S)	Completed
9.	Medical Adaptations Policy – approved. Policy register to be updated	CSM	Completed
10.	At next Operations Sub Committee discussion re 15 furnished flats to take place	DoO	Next meeting scheduled for January 2022

11.	Update on Afghanistan Refugees to be provided to board at next meeting if decision is not needed urgently Board members will be contacted	HM(S)	To be updated at meeting on 28 th October 2021
12.	DoF/IT to produce a report for next meeting re valuation for both pension schemes and the past deficit liability	DoF/IT	To be presented at board meeting on 28 th October 2021
13.	Assurance Statement – approved. To be updated to SHR Portal	CEO	Completed
14.	Governance Timetable – approved with the resurrection of the Operations Sub Committee. Diaries to be updated.	CSM	Completed
15.	Donation policy – approved. Policy Register to be updated	CSM	Completed
16.	CCTV Camera – to be taken over from the Trust	CEO	To be presented to the Trust at meeting on 1 st Dec 2021. Teresa McGowan enquired if there will be a cost for the transfer. There may be a maintenance cost but CEO can report back to the Board
17.	Policy register to be updated with the removal of Policy Statement on Scottish Assured Tenancy Agreement”	CSM	Completed

3d. MINUTE OF MEETING HELD ON 8TH OCTOBER 2021

The minute of meeting held on 8th October 2021 were noted and approved on the motion of Teresa McGowan and seconded by Chris O’Brien.

3e. MATTERS ARISING FROM MEETING HELD ON 8TH OCTOBER 2021

Page 1, Item 3: Co-opted Board Members: *item redacted as contains sensitive information.*

3f. ACTION LIST FROM MEETING HELD ON 8TH OCTOBER 2021

	Details	Person Responsible	Status
1.	Co-opted Board Members – SHR to be notified	Chair	Completed
2.	Change of date for next board meeting – Thursday 28 th October 2021	CSM	Board members notified
2.	Overtime for Operations Team - authorised	CEO	Completed

4. CHAIR'S REPORT**Tuesday 12th October - Garden Food Festival**

Attended the Garden food Festival in the Stables garden. The event was well attended, and everyone enjoyed sampling the beetroot soup, pizza's and sandwiches.

There were vegetable bags for everyone to pick up and lots of activities for the children, designing their own recipes picking apples, and colouring in.

It is events like this that categorically help to create good communities.

Thanks to all the volunteers, staff and partners for making it such a good day.

Thursday 14th was another day spent in the garden again well attended even though the rain spattered down.

Monday 18th October - Attended the Health and Safety Landlord Sub Committee Meeting

The agenda included: anti' social behaviour, construction design and management, cleaning and cleanliness, electrical safety, fire safety in houses and common closes and gas safety inspection.

An event risk management report will be brought to the H&S Committee by Paddy and Stuart at a later date.

Tuesday 19th October - Attended Discipline and Grievance workshop facilitated by Natasha Gordon from GCVS.

Very good workshop review for some experienced board members and new learning for those new to the board. The ACAS Code of disciplinary and grievance practice was fully explained and discussed.

Wednesday 20th October - Attended Audit and Risk Sub Committee

This was Richard's first meeting as Treasurer and Chair. I am sure others will agree that his performance was excellent.

Internal audit plan, reviews and updates on a number of topics were discussed as was the group risk register.

Thursday 21st October - Attended the Regeneration Sub Committee Meeting

Topics discussed were the Quarterly Barlia 3 Development Defects Report, Castlemilk Drive Development update. The defects policy and the Regeneration Quarterly Report was approved.

We also had a report from Paddy about The Castlemilk Pantry and Feel Good Veranda's.

Monday 25th October - CEO'S 6th Month Review

Attended CEO's Sixth Month Review with Anna Stuart MBE. Most of CEO's KPI'S and objectives are being met. One or two have been delayed due to ongoing confidential matters and hopefully these will be caught up with by the year end. Details of the review will be presented to the next board meeting.

Tuesday 26th October - Chairs Network

Attended the Chairs Network run by Share. Alwyn Gaffney was the facilitator and a presentation was given by Katriona Shearer. This was an excellent fun filled spiel on what Katriona has learned in the news and media industry and also about how board members and especially chairs should handle the press and media reporters.

The Cassiltoun Group Annual Report and Tenants' Charter report Card

The Annual report and the Tenants Charter report gives me and I am sure the rest of the board assurance that we are getting things right. Not only that it demonstrates to our tenants and service users that the services we provide are in line with Scottish Government, SHR and City Council aspirations. We demonstrate that we at Cassiltoun have the community at heart and will continue to develop all services to the highest possible standard.

Cassiltoun is an amazing organisation. Our future aspirations are about continuous improvement.

7a. CHIEF EXECUTIVE'S BI MONTHLY REPORT

The Chief Executive Officer presented her Bi Monthly Report previously circulated with the agenda.

SHR Regulatory Framework and Assurance Improvement Plan

The Board members reviewed the outstanding areas of the Regulatory Framework and highlighted some non-material areas of improvement which have been noted in the Action Plan. The Board noted and approved the Updated Governance and Assurance Improvement Plan as outlined in Appendix 1 of the report and agreed to remove the areas highlighted in green.

The Annual Assurance Statement has been uploaded onto the Regulators Portal.

Starting our new programme for Assurance Workshops to review the Regulatory Framework, it is proposed to tie the workshops into Board meetings, for example meet at 5.30 pm – 6.30 pm before a Board Meeting. There will not be a requirement to meet prior to every Board Meeting. Dates to be sent out to Board members prior to Christmas.

Business Continuity – COVID 19

There has been no change to the current operational model since the last CEO Report. Staff continue to be required to attend the office in line with business need. The office remains open for appointments only and there is the resumption of some community programmes. There are more in-person meetings with external organisations attending the building. We are currently looking at technology to allow us to hold hybrid Board Meetings and it is hoped from the New Year that this will be implemented.

Staffing levels in the office has been impacted as household members have contracted Covid and although the staff members have remained negative and, under Scottish Government guidance they could return to the office, we have asked staff to work from home until their household member is clear of Covid. Staff have had to leave the office to get PCR tests and work from home until the result is through. We have instructed staff members who have any signs of a cold to also work from home as a precautionary measure.

Julie McNeil enquired if there has been any impact on tenants with staff working from home. The Director of Operations intimated that although we don't have a full complement of staff in the office, staff are able to carry out estate management inspections, appointments within the office. Staff (Operations/Technical/Advice Team) are able to make contact with our tenants via the telephone/zoom etc. Tenants are happy with the service that is currently being provided. A mix of appointments in the office and over the phone is working well. Chief Executive Officer confirmed that the Communities Team are covering activities even when a member of staff has to self-isolate due to COVID. As most of our staff are generic, we are able to cover for each other. With regards to new and temporary staff, it is important that staff are within the office to give support and training.

Richard Sullivan enquired if the temporary staff (agency) was having an impact on our budget. Chief Executive Officer confirmed that we have one temporary member of staff at present. As we have the finance assistant vacancy, we are saving on salary costs. However, it is important that we have this temporary member of staff. Director of Finance & IT confirmed that we currently have a vacancy for Finance Assistant of which the temporary member of staff is covering. *Redacted as contains sensitive information.* The biggest risk is not the extra cost but having accounts that are inaccurate. We cannot have problems or errors. The staffing line in the management accounts is currently £6,000 below our pro rata budget and he could not foresee us deviating from the full year's budget.

Housing Development

Castlemilk Drive – Continues to make excellent progress. The first 6 units are offsite and the tenants are delighted. We are now ready to start letting the next block. NRS (Council) visited the site today with the Director of Operations and Laura Edwards.

Staffing Review

As the Board are aware, we were due to have a Staff Structure Review last year which was put on hold due to COVID. We have been instructed by the Association's Solicitor not to carry out a full staff structure review due to the ongoing matters but to carry out a micro review of the staff who are on temporary posts/temporary responsibility payments and extra hours.

The Staffing Sub Committee approved the recommendations contained within the report (previously circulated with the agenda).

The Chief Executive Officer sought the Board's approval to approve the recommendations contained within the report. ***The Board unanimously approved all the recommendations contained within the Staffing Report.***

Subsidiary/Sub Committee Updates

The Board noted the minutes of the Subsidiary and Sub Committees previously circulated with the report.

Subsidiary decisions are detailed under Agenda Item 19.

AGM – 11th September 2021

Our AGM was held virtually on 11th September 2021. We required 18 members to be quorate and had 32 members were in attendance (9 proxy submitted).

Industry Updates

The Chief Executive Officer highlighted industry updates and the hyperlinks to each update were detailed in the Bi Monthly report.

The Chief Executive Officer raised the report entitled "Impact of COVID 19 Pandemic on the social housing sector in Scotland in comparison with the whole of the UK". This was published by the Social Housing Resilient Group in August 2021. We are part of the Resilient Group (Page 3 of the Report). The report gives a flavour of what was happening across the sector and comparisons with England in terms of Rent Arrears; staff absences, tenancy turnover rates, voids etc.

CEO Training/Networking

Since the August Board meeting, the CEO has attended:

- Meeting with ACOSVO CEO mentor
- Meeting with Mairi Mcallan MSP
- Meeting with Stuart McDonald MP
- Sector Resilience meeting (SFHA and others)
- Virtual and in person meetings with sector CEO's (variety of topics)
- Speaking engagement at GSEN
- 'Leading a Mentally Well Workplace' (ACOSVO)
- Castlemilk Locality Planning meeting

Christmas Closure

It has been normal practice to close the office for the Christmas and New Year break on 23rd December and ask staff to take 24th December as leave.

Richard Sullivan recommended that the Board grant 24th December off and that staff should not use their annual leave.

Corporate Services Manager intimated that within the Terms and Conditions, staff are aware of their annual leave entitlement.

Chris O'Brien agreed with Richard Sullivan's recommendation as staff have worked extremely hard over the past year.

After discussion, the Board unanimously approved to close the office on 24th December and to award staff the day off.

Julie McNeil enquired if there would be a financial implication if we close the office on 24th December. The Chief Executive Officer confirmed that we do not take many rent payments on 24th December and the office is very quiet in terms of footfall. We have over many years, closed the office on 24th December.

Awards and PR

One of the non-material areas for improvement on the Assurance Action Plan relates to promoting the work that we do. The following is an example of how we are addressing this.

Cassiltoun were recently shortlisted for 2 awards. The first for our Barlia 3 Housing development and the second for Charity of the Year. We faced tough competition and unfortunately did not win. Cassiltoun has also featured in the Housing press. There were 2 articles, the first related to our new tenants moving into Castlemilk Drive, the second being the community benefits relating to that development.

CEO 6-month Review

The CEO 6-month review was carried out by the Chair and Vice Chairperson on 25th October 2021. A copy will be circulated to the Board at the next meeting.

Group Risk Register

The Chief Executive Officer presented the Group Risk Register which had been approved by the Audit and Risk Sub Committee at their meeting on 20th October 2021.

Julie McNeil intimated that it was good to note that Pensions were a moderate risk and the mitigations in place to make it a low risk. The Chief Executive Officer intimated that we will be looking at getting external advice for Pensions in the new year.

The Board noted and approved the Group Risk Register.

Business Planning Process for 2022-23 Business Plan

The Chief Executive Officer proposed to look at a venue for January 2022 to carry out our Business Planning processes. The Board approved to have this work carried out at a venue and in person.

Evelyn Ferguson enquired if we can look at a small gathering for the official opening of the newbuild properties. Chief Executive Officer confirmed that this is something we will do in the Spring.

Board training dates

Cassiltoun HA's Rules – Thursday 18th November 2021 between 6pm – 7.30pm

Anti-bribery and Corruption Training – to be organized with internal auditors or another supplier for Wednesday 1st December 2021.

Equality Impact Assessment Training – currently seeking costs from HQN re training for board member. Date to be set for January 2022.

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

7b. TRAFFIC LIGHT REPORT

The Chief Executive Officer presented the Traffic Light Report Mid-Year Review.

The Board noted that a lot of our operational objectives are currently ongoing but making progress.

Progress with plans for the Social Enterprise and Wellbeing Centre including funding and development plans is currently on hold due to land acquisition issues and funding position.

Three operational objectives have been completed.

The Board noted and approved the update to the Traffic Light Report.

8a. MANAGEMENT ACCOUNTS – SEPTEMBER 2021

The Director of Finance & IT presented the September 2021 Management Accounts previously circulated with the agenda.

The Accounts once approved, will be passed to our lenders in line with loan conditions.

Since writing the Accounts, the forecast will change. Grant income will be £30k less than we predicted at the time of drawing up the budget when we come to the year end.

Reactive maintenance costs are higher than budget but the pace as slowed down.

The overall underlying position stays the same as August with us being behind the pro rata budget.

Grant income was showing temporarily higher than the pro rata budget, however we have received a Cycle and Bin Storage grant last year which has still to be spent.

Major repairs – the rate of work will have to increase significantly if we have to undertake £800,000 over the remaining months of this year. This will be dependent on availability of contractors/materials.

Estate Maintenance – is in line with pro rata budget.

The change in the Estate Maintenance Contractor – the Director of Operations will inform us if there is any change in the costs.

The actual results for the 30 items from salaries & pension down to contingency shows we are still very close to the £1,819k pro rata budget with the actual being £1,809k. The forecast is expected to exceed budget by around £58k although a difference in depreciation could easily mask the monetary figures. The Director of Finance & IT confirmed that he was working on putting the 6 newbuild properties onto the software in order to work this out.

Capital expenditure – in line with expectations. Increases to £2.8m for Castlemilk Drive.

In comparison to last year, on an underlying basis if we strip out depreciation and grants, our surplus would be £98k and pre COVID we would have had £155k.

Our statement of financial position, arrears trend has been flat on average, and although the arrears did increase for September, they came back down in October ie to £173,000. In order for arrears to come down, we need cash to be above £377,000. Cashflow statement shows £370,000 in the month of September.

Pensions – cover under agenda item 8c.

In terms of fixed assets for IT project spend, we have a budget of £28k. £9k has been spent on laptops and enhanced backup and £9k on our new photocopier. The purchase of Yooz and/or other financial software is under review as is the purchase of BRIXX financial software.

The SMT are considering IT equipment for Hybrid meetings.

Loan Covenants are met and if we continue to have a very low major repair spend we will sail through our interest cover.

Statement of financial position – current arrears £182,000 and will come down to £172,000 in October.

Cash at bank £7.2m. Projection for year end is £4.5m

Forecasting for major repairs is still to be undertaken.

Richard Sullivan enquired that the high void loss is due to a property in Machrie Drive and if this is a high void loss will it impact on the % of the void loss.

Director of Operations informed the Board that 68 Machrie Drive is a supported accommodation property where you have 2 occupants plus the care provider. It is not a Scottish Secure Tenancy, it is a shared occupancy agreement. They were unable to fill one of the occupancy due to COVID. As only half of the rent was being paid, it was not classed as rent arrears, it was a void. We having been working with the Care provider and the occupancy has now been filled. Our void loss will be impacted. The Chief Executive Officer reminded the Board that a report was presented regarding this void and approval was sought for this void loss. This was an anomaly and was due to COVID.

Richard Sullivan enquired if it will be difficult to reduce our arrears? Director of Operations intimated that as a team we are looking at arrears. An Arrears Action plan is in place. There have been various difficulties due to COVID and as an Association we took a decision at the start of lockdown not to actively pursue tenants who were struggling. The Scottish Government took the decision to make it a 6 month period prior to a Notice of Proceedings to go live. We are confident that we will get arrears down. The team worked very hard and they have got the arrears down by £10,000 this period. Cassiltoun's ethos is to work with our tenants and support them to sustain their properties. We predict in line with other years there will be a spike at Christmas and we will work hard to mitigate against this.

The Chief Executive Officer informed the Board that we are looking at the Scottish Government funding that is coming out via the Council to assist some tenants who have accrued arrears during COVID. We are waiting on the criteria being issued and we will be ready to apply for any tenants who fall under this criteria.

Redacted as contains sensitive information. Director of Finance & IT intimated that he had been in touch with a temporary agency with regards to what is needed and we await CVs from them. There will be a risk of our accounts being incomplete or inconsistent. The Chief Executive Officer reassured the Board that we are contacting agencies for temporary cover until the end of December 2022. We will also be asking our Auditors, Azets to take over the payroll function until the end March 2022.

After discussion, the Board unanimously approved the Management Accounts for September 2021.

8b. RENT OPTIONS CONSULTATION PAPER

The Director of Finance & IT presented the above paper previously circulated with the agenda. He informed the Board that we need to decide as to how we deal with the new build properties re rent increase.

Our business plan models inflation at 3%, which now sits at a higher level of RPI and CPI. When looking at rent setting we need to follow our rent setting strategy.

The SMT met and discussed what we think may be fair and reasonable and the proposals are that we consult with tenants re an increase of

2%

3%

4%

The SMT are suggesting three options, but the Board may consider a lower number.

Looking at the background and affordability, graphs were included in the report that came from the model that was developed by SFHA and enhanced by Housemark. The model doesn't have the current years 2021/22 rent levels. Other data comes from the UK Government Annual survey of people's earnings of which in the past Cassiltoun have been asked to participate in. The affordability model on page 2 of the report, remains a web only software.

Based on Cassiltoun's average rent for a 2 bedroom flat (of which we have 646) is £80.40 and a council tax band of B, then for a living wage couple, the rent is 18.3% of incomes. This then falls into the affordable criteria since it is less than 25%.

Benchmarking information from local RSLs was also included in the report (page 3) based on similar stock size. The data is a year and half out of date.

CPIH sits at 2.9%

RPI today is 4.9%

CPI is 3.1%

Following the formal consultation exercise with tenants in November/December, the Board will receive a report on the outcome at its meeting on 26th January 2022 to make a decision. This timetable will give us time to write to tenants as well as the Housing Benefit team.

The table on page 5 of the report gives the Board like for like comparisons with repairs averaging at 6.6% and comparable management costs 6.8% higher.

The SHR will be scrutinising RSLs with high rent increases.

It is recommended that Cassiltoun's consultation options are linked directly to the business plan rather than the presently volatile RPI/CPI.

The Business Plan will benefit from a refresh and take into account various changes over the past 2 years with the lower rent increases, increases in costs and the new stock condition survey.

The Chairperson enquired if the Housing Benefit team had any benchmark figures that they have with regards to rent rises each year. The Chief Executive Officer confirmed that Housing Benefit would not have any figures.

Richard Sullivan intimated that if we put rent up by 3%, we would sit slightly below the Scottish average for 2-3 apartments, but significantly over the Scottish average for 4 and 5 apartments.

In cash terms per week, if we put our rent up by 3%, this would be

2 apt - £79.36

3 apt - £81.90

4 apt - £93.70

5 apt - £103.89

Richard also asked what impact will this rent increase have on potential arrears. The burden will be place on families with larger families.

Director of Finance & IT intimated that the budget yesterday agreed to increase National Living Wage by 6% and more beneficial tapering of universal credit rates.

Director of Operations intimated that anytime we discuss rent increase, there will always be tenants that will struggle and in particular working families. Families who do not work, will not be impacted as their housing benefit will increase in line with our rent increase, 666 of our tenants receive at least partial support with their housing costs. Where tenants will struggle to pay our Advice Team would step in to support.

Julie McNeil intimated that the Budget yesterday agreed to increase the National Living wage and that not everyone gets help with their rent and although the mitigation for UC affects people who are working the tapering effect in no way makes up for the £20 UC per week that people are losing. Looking at our Management Accounts we are in a good financial position and she had no concerns regarding the three options.

Anna Stuart MBE intimated that since furlough has ceased, there are a lot of people who have lost their jobs. She also enquired if there were any changes in the Budget with regards to National Insurance and Income Tax that may affect tenants. Maureen Watson confirmed that there is an increase of national insurance that will come into effect from 1 April which was not part of the budget but was previously announced by the Government.

The Chief Executive Officer intimated that GWSF are starting the process of benchmarking re rent increases. There were only 4 members who had responded. One organisation was proposing 2.7% and the rest were base around CPI rate.

Chris O'Brien agreed with the points raised with regards to affordability for tenants. However, enquired what would be the impact on the Business Plan in the long term in terms of affordability and the services we provide if we cannot keep rents in line with the Business Plan. Last year we set a rent increase below what we planned for. The Chief Executive Officer confirmed that once we get the Stock Condition Survey results and refresh our Business Plan we will get a clearer picture of where we sit in terms of our long-term financial forecasting. If we do not have the income coming in we will need to look at the costs going out. If our rent increases impact the business plan long term and they are not keeping in line with what we have modelled in our business plan we would need to address that issue. The Director of Finance & IT intimated that if we decide to go down a 2% route, there would be a gap between money going out and what we are getting in. The bank balance drops to £300,000 in year 2029 and what would be interesting to see if the Business Plan refresh shows a smaller number that year then we probably we would have to cut back in major repairs that year. The Chief Executive Officer reminded the Board that the 2029 figure of £300,000 is impacted by the assumed debt on withdrawal from the Strathclyde Pension Scheme.

George Kelly enquired if a 4% rent increase would give us a bit extra. If we apply a 3% rent increase we would lose £90k against the Business Plan. Director of Finance & IT confirmed that the 4% would give us a bit extra but we need to look at affordability and there is no point putting rents up when arrears would rise and tenants leave us with arrears or abscond.

Anna Stuart MBE intimated that we have not made a decision as yet on the pay award for staff. This will impact the Business Plan as well.

After discussion, the Board unanimously approved to consult with tenants re a rent increase of

2%; 3% and 4%

8c. PENSION UPDATE REPORT

The Director of Finance & IT intimated that he had provided the year end valuations of the SHAPS Pension Scheme and Strathclyde Pension Scheme with the agenda.

Strathclyde Pension Scheme

Employer Contribution – redacted as contains sensitive information

Employee pays an average – redacted as contains sensitive information

SHAPS Scheme

Employer Contribution – redacted as contains sensitive information (SHAPS includes £150,000 of past service deficit)

Employee pays – redacted as contains sensitive information.

At a Pension Meeting in December, attended by the DoF/IT, it was confirmed that, the past service deficit in its current form is due to finish in September 2022 or March 2023. However, SHAPS may introduce a new past service deficit payment after that date. There is uncertainty at the present time.

8.00 pm – Standing Orders

Richard Sullivan intimated that if a workshop could be set up to discuss Pensions as there would be more time required to discuss further. The Chief Executive Officer also reminded the Board that as previously discussed, we would procure independent advice on Pensions before Christmas and the report and external consultant would be used to update the Board.

9. CHARTER BENCHMARKING PRESENTATION

The Director of Operations presented Charter Benchmarking information via a power point presentation.

As the Board are aware, every year after the ARC has been submitted, the SHR provides benchmarking information around September that feeds into the Report Card.

We benchmark against our local landlords, GHA (half of our stock came from GHA) and the Scottish Average.

Summary

The agreed areas for improvement for 2021/22 contained within the Report Card are:-

Rent Arrears

Improved void loss performance (0.68%)

Improved days to let (33.09 days)

To ensure that 100% of our properties receive their gas servicing within the anniversary date

Our rent arrears increased due not only to COVID19 but also Newbuild coming offsite in the middle of the pandemic and an increase in void letting times due to SG Restrictions-

2018/19 - Rent arrears – 2.58%

2019/20 - Rent arrears – 3.29%

2020/21 – Rent arrears – 4.69%

Arrears Action Plan in place to ensure that arrears are managed in line with policy and procedures and reduce in 2021/22.

The Chairperson thanked the Director of Operations for an excellent presentation and we know the areas that we need to improve on.

10. REVIEW OF GROUP RISK REGISTER

Previously covered under Agenda Item 7a.

11. GDPR/FOI

Nothing to report

11a. Quarterly Return to Information Commissioner

Corporate Services Manager presented the Quarterly Return to Information Commissioner. For Quarter 2, we have received 9 SAR requests and 1 FOI requests. All have been achieved within their timeframes.

The Board unanimously approved the quarterly return to the Information Commissioner.

12. CORPORATE/HR REPORT

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

Staff absence Quarter 2: 1.29% 10 staff (4 staff were off between 10-20 days and all now returned to work)

Board attendance: July – Sept 76.67%

Board Training:

3 x board members have completed 2 training courses

5 x board members have completed 1 training courses

2 x board members have completed 0 training courses

1 board member has reserved 3 training courses during late October and November

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

13. COMPLAINTS REPORT

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

To date we have received 14 complaints. 13 complaints dealt within timescales. 1 complaint was late due to mixed communication between staff.

There were three stage 2 complaints that were responded to within the 20 working day timescale.

The Board noted and approved the revised complaints report.

14. CORRESPONDENCE

None

15. APPLICATIONS FOR MEMBERSHIP

None

16. USE OF SEAL

None

17. ENTITLEMENT, BENEFIT AND PAYMENTS

None

18. NOTIFIABLE EVENTS

As the Board are aware, there are two notifiable events at present: -

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

2. redacted as contains sensitive information
3. Governance Issue

19. SUBSIDIARY AND SUB COMMITTEE DECISIONS MADE BETWEEN 30TH SEPTEMBER 2021 – 28TH OCTOBER 2021

Staffing Sub Committee – 30th September 2021

Election of Chairperson – Chris O'Brien

Pay Award – proposals to be presented at a Staffing Sub Committee meeting in Nov/Dec 21

Staffing Report

Redacted as contains sensitive information.

Pension Update – DoF/IT to provide a report to the Board of Management on the current pension position

Policies approved

Stress

H&S

Shared Parental Leave

Staff Code of Conduct

Terms and Conditions approved to reflect changes in Maternity, Paternity and Adoption

Audit and Risk Sub Committee – 20th October 2021

Noted and approved Internal Audit follow up review is taking place on 25th and 26th October

Noted and approved Internal Audit Governance review will be taking place on 25th – 27th October 2021

Noted and approved updates against Internal Audit Action Plans

Group Risk Register – Risk 1, 5 and 11 were updated by Audit & Risk Sub Committee

20. HEALTH & SAFETY/HWL

HWL: Working through Action Plan. Currently looking at Health Checks for staff.

21. AOCB

Machrie Road: William Craig enquired as to the opening of Machrie Road. The Chief Executive Officer confirmed that we have received notification at the road will remain closed and residents and tenants will be informed.

Research Resource, Rent Consultation: As in previous years, the Association has used Research Resource to carry out independent rent consultation with our tenants. *Redacted as contains commercially sensitive information.* **After discussion, the Board unanimously approved to appoint Research to carry out the rent consultation process with our tenants.**

Company Jeep: The company vehicle (Jeep) is now 14 years old. The cost of the upkeep is expensive and it is now requiring repairs to keep it road worthy.

The Board's approval was sought to sell the Jeep and come back in the new year to the Board for alternatives. **The Board unanimously approved to sell the Jeep.**

Finance Team: The Chief Executive Officer sought approval to recruit a temporary member of staff *redacted as contains sensitive information.* **The Board unanimously approved to employ a temporary member of staff for the Finance Team and to appoint Azets to carry out our payroll function until March 2022.**

Julie McNeil thanked Director of Finance & IT for all his hard work. The Chairperson also thanked the Director of Finance & IT for his detailed Management Accounts and Pension Report.

Co-opted Board Members: *redacted as contains sensitive information.*

The Chairperson presented two new potential co-opted board members

Geri Morgan and Gordon Williamson

The two potential co-optees have a breadth of knowledge and experience within the Housing Sector. Copies of their biographies were previously circulated to the Board.

After discussion, the Board unanimously approved to appoint both Geri Morgan and Gordon Williamson as Co-opted Board Members.

Redacted as contains sensitive information.

22. DATE AND TIME OF NEXT MEETING

Wednesday 24th November 2021 at 6pm

There being no further business the meeting concluded at 8.28 pm

Signature:

Chair of Board of Management

Date: