PRESENT:
Morag Cameron        Chairperson
Claire Taylor        Board Member
Desmond Phee         Co-optee
Christine McCormack  Board Member
Andrew Stevenson     Co-optee
John Kilpatrick      Board Member
Pat Bowden           Board Member
John Duncan          Board Member
Jeanette Brown       Board Member
Helen Bayne          Board Member

IN ATTENDANCE:
Anne Marie Brown     Director
Frances Cunningham   Senior Corporate Services Officer (Minute Taker)
Robert Allison       Maintenance Services Officer
Fettes McDonald      FMD Financial Services

1. Apologies for Absence
Apologies were tendered on behalf of Jaclyn McCann.

2. Chairperson’s Remarks
Morag welcomed everyone and thanked them for their attendance tonight.

3. Declaration of Interests
F McDonald declared an interest in relation to Agenda Item 10 and would leave prior to this agenda item.

4. Minutes of Previous Meetings:
4.a Minutes of Board Meeting held on Monday 28th January 2019
The Board approved the minute as a correct record of the meeting held on Monday 28th January 2019; as proposed by Andrew Stevenson and seconded by John Duncan. The minute was then signed and sealed by the Chairperson.

4.b Matters Arising From Monday 28th January 2019
M Cameron asked if anyone had any matters arising from the previous minutes of Monday 28th January 2019. Updates were given on the following:
AGENDA ITEM: 4.a  DATE OF MEETING: MONDAY 25TH MARCH 2019

CRAIGDALE HOUSING ASSOCIATION MINUTE OF BOARD MEETING HELD ON MONDAY 25TH FEBRUARY 2019 AT 6.00PM IN 83-85 DOUGRIE ROAD, GLASGOW G45-9NS

Page 3, Item 5-Director’s Report – 2.2.11 - Castlemilk West Church Site: J Duncan asked for this to be reworded and replaced with knowledge of viability and quality.

Page 3, Item 5-Director’s Report – 2.5 – Glasgow West of Scotland Forum Membership (GWSF): AM Brown advised that handouts had been circulated to all Board Members and that there were also handouts on the table.

After discussion the Board agreed to join the Glasgow West of Scotland Forum.

Page 5, Item 8-Policy Review – Information & ICT Governance Policy: M Cameron asked if a section has been inserted in relation to Board & Staff having and returning IT equipment. F Cunningham the policy has not been finalised and that a section will be inserted and posted on the website Board area.

5. Director’s Report

AM Brown presented the Director’s Report to the Board and gave a brief update.

Page 2, Item 2.2.1 - Office Refurbishment: J Duncan asked if we had appointed a Quantity Surveyor previously. AM Brown advised that we had only appointed an Architect and had used the services of a Structural Engineer.

AM Brown highlighted that the office window replacement was well underway and would be completed 15th March. P Bowden asked why we replacing window when the office is being refurbished. AM Brown explained that when we replace components in Phase 3 the office components are replaced as well. However the windows within the public reception area and toilet have not been replaced as these will be removed during the refurbishment.

Page 2, Item 2.2.4 – Castlemilk West Church Site: AM Brown confirmed that we have organised a meeting with DRS for 5th March to discuss the site and funding opportunities. J Duncan advised that in this current climate more funding is available.

J Duncan asked if we had approached local RSL’s to ask if there Development Officers had any capacity to assist. AM Brown advised that she had contacted the local RSL’s first however two of them have sites on-site themselves and do not have the capacity. J Duncan asked if we would be carrying out a feasibility study. AM Brown advised that no feasibility study had been carried.

AM Brown advised that we are only information gathering at present so we can make a presentation to the Board to decide whether to progress with the development.

F Cunningham will circulate dates for an additional Board meeting to discuss proposals.
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Page 2, Item 2.2.5 – HUB (stock information database): AM Brown advised that R Allison has been working through the HUB system identifying any areas that need to be worked on, and checking that the system fits with our reporting remit. By end of March we should hopefully have identified any area that require amended and we will hopefully be able to produce a more reliable 30 year programme.

R Allison mentioned that JMP need to provide us with the completed surveys that they carried out so we can back up information to evidence our workings.

C Taylor asked if we have bought or do we rent the HUB system. AM Brown advised that we rent the system from JMP, however we have not really done much with the system. However R Allison and staff are working on the system and refining some areas.

Page 3, Item 2.2. – House Fire: AM Brown advised that the tenant is temporarily staying with family until we sort more permanent accommodation. Quantity Surveyor has been in and drawn up a bill of quantities for tender, he has estimated the works at £73k.

The Board noted and approved the contents of the Director’s Report.

6. Business Plan – Strategic Objectives Delivery Plan

AM Brown presented the Business Plan & Strategic Objectives Delivery Plan report to the Board and gave a brief update.

Page 9, Point 17 – Develop & Support our Staff: M Cameron asked for Optimum Compliance to be removed from Lead Officer and Director inserted. AM Brown confirmed that this would be removed from next and report.

Page 11, Point 20 – Financial Strategy: J Duncan asked for this date to be amended as the date had passed.

The Board noted and approved the contents of the Business Plans Strategic Objectives Delivery Plan Report.

7. Management Accounts: Quarter 3, 2018/19

F McDonald explained that the Board has overall responsibility for keeping proper accounting records and that they are also responsible for safeguarding the assets of the Association and for taking reasonable steps to prevent and detect fraud and other irregularities.

F McDonald explained that we prepare management accounts to monitor progress against the annual budget; to assist the Board to discharge their responsibility and to assist staff members in monitoring the financial position.
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F McDonald also explained what the content of the management accounts should include i.e. income and expenditure, balance sheet, cash flow, written commentary.

Statement Of Comprehensive Income

1. Rental Income Variance: Net Rental income is around £1192 higher than budget. This is mainly due to lower void loss in the quarter.

2. Reactive/Cyclical/Estate & Ground Maintenance Costs: Reactive and Void costs are currently £27k lower than budget for the period to December. Cyclical costs are £15k lower: The positive variance is a result of some costs being lower than budgeted and the timing of some cyclical programme works being undertaken.

3. Non Capital Major Repairs: Major Repair costs (non-components) are around £36k lower. None of the main programmes which make up this budget were onsite by the end of December.

4. Staffing Costs: Salary costs are lower due to variances in recruitment of £31k, and that the budget did not include the £3k employment allowance from HMRC. However Maintenance Services have been higher than budget mainly due to the Maintenance Services Officer vacancy. The absence of the Director was unforeseen and therefore not included in the budget.

5. Office Overheads/Others: Overall costs are under by around £12k. The main reason is lower spend. (a) Expenses relating to both Board and General Association costs have been lower than budget for the first half of the year. (b) Printing & Stationery costs have been lower than budget. (c) Subscriptions some costs have been higher than was included in the budget. (d) Staff Recruitment is over budget due to agency fees for temporary staff. (e) Community Costs, budget only included the 30th anniversary costs in quarter 4 however this was spent in quarter 3. Costs relating to other events, away days, Christmas parties have been lower than budget.

6. Net Interest: Interest received £1506 lower than budget due to lower sums being placed on deposit throughout the year. Loan interest payments are £3137 lower than budget. This gives the net favourable variance of £1631.

Statement Of Financial Position
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The Statement of Financial Position at 31st December 2018 is showing net assets of over £6.2m.

1. **Capital Spend:** for the year is only £123k to date, which is made up mainly of the windows and doors renewal programme in Phase 3.

2. **Cash Position:** is showing a positive variance of £386k compared to the budgeted position. This is mainly due to the higher opening cash balances but it is also a result of the under-spend noted above and the fact the capitalised Major Repairs programmes and office refurbishment are lower than budget.

3. **Debtors:** £30k is mainly made up of net rent arrears of £15k, prepayments of around £8,900, accrued interest of around £5,500.

4. **Short Term Creditors:** £173k includes rent prepayments (£82k), Purchase Ledger (£76k). The balance (£15k) relates to sundry creditors and retentions.

5. **Long Term Loans:** stand at £2.08m as a result of capital repayments of £150k.

6. **Deferred Capital Grant Income:** is showing on the Balance Sheet at £10.2m and there is also the long term pension liability of £147k.

**Financial Covenants**

There are no particular concerns regarding any of the ratio results noted on Page 8. The Association continues to perform well in comparison to the budget position and especially with regards to rent arrears and voids.

J Duncan asked if the year to date figure could be included within the accounts.

**The Board noted the content and approved the Management Accounts for period to 31st December 2018.**

8. **Budget 2019/20 – Version 2**

F McDonald presented version 2 of Budget for 2019/20 and highlighted that the Board had previously agreed to increase the rents by 2.9% and has amended the budget accordingly.

**Statement of Comprehensive Income**

1) **Net Rental Income:** will total £1,480,568 in the year and will include the agreed rent increase of 2.9% from April 2019. Turnover also includes an amount of £366,661 in respect of amortised grants, factoring income of £1,631 and £16,500 for Stage 3 Adaptation grants.
2) **Operating Costs:** will consist of; staff costs (£391,449), estate costs, including property depreciation (£1,017,566), overheads and other operating costs (£236,204). Total operating costs will be £1,645,219.

3) **The Operating Surplus:** for the year will be **£220,141**.

4) **Interest Receipts:** will be £8,403 and interest payments will be £38,584. In addition, other finance charges will be £2,104.

5) **Net Surplus:** for the year will be **£187,946**.

**Appendix 1- Breakdown of Changes to Income and Expenditure**-

- Salaries-increase reduced from 3% to 2.8%-savings £667
- Welfare Rights costs reduced by £5k
- Audit-increase internal audit costs by £2.4k
- Other Fixed Assets depreciation-increase by £400k
- Office Repairs-add £5k for office flooring
- Office Equipment maintenance—increase SDM and M2 costs by £2,650 in total
- Professional Fees-add GDPR, board skills assessment and reduce ARC validation-net £2.5k cost.
- Training (Board)-increase by £4k
- Training (staff)-increase by £1k
- Cyclical Maintenance-added in £6k cost for energy performance certificates
- Major Repairs-general £10k provision added
- Interest receivable-reduce by £95
- Other finance charges-increase by £119

**Statement of Financial Position**

1) **Capital expenditure:** of £212k will be incurred in the year and the cost of housing assets at March 2020 will be just under £16.2m.

2) **Net Cost:** of other fixed assets will be £298k.

3) **Cash balances:** will reduce by £169k to £1,876,983.

4) No changes are budgeted in respect of **short term debtors and creditors** and **loan balances** due at the year-end now total £1.86m. The **pension deficit** sits at around £96k at March 2020 and deferred income totals £9.7m.

5) **Net Assets:** of the Association at March 2020 will now be £6.377m.
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Appendix 1 – Breakdown of Changes to Statement of Financial Position:

- Other fixed assets-add £1.2k for tablet costs for housing services
- Other fixed assets-remove £10,000 new window cost as work being done in 18/19
- Pension deficit-increase by £2,629

M Cameron asked why the Office Refurbishment had increased from £50k to £80k. AM Brown explained that we had set aside £50k within the 2018/19 budget and would be adding in additional £40k 2019/20 budget to replace doors, flooring covering and to paint the office. As the Refurb has not gone onsite this finance year and will be onsite for Spring/Summer we have increased the budget to include all works.

M Cameron asked why the expenditure for Board laptops has been removed from budget. AM Brown highlighted that there has been an underspend within 2018/19 budget and the laptops will be bought prior to the year end.

Key Performance Indicators

Page 9 of the draft budget details various projected ratios for the financial year and compares these figures with the most recently published SHR statistics for 17/18 for local and similar sized RSLs.

Craigdale generally performs very well in the majority of the ratio analysis. The only ratio where Craigdale does not compare favorably is the Management & Admin Costs per unit. This matter can be considered further in due course-the fact that Craigdale is the smallest of the local RSLs will clearly be a factor in this regard.

Covenants

The loan covenants with Bank of Scotland, Clydesdale Bank and Nationwide Building Society will all be complied with based on the current assumptions. There are no financial covenants with the Royal Bank of Scotland.

The Board approved the budget as final for 2019/20 the only difference will be the salary increase when this has been agreed with EVH. The figure is not material and will not have a significant impact on the budget.

9. Tender Report: Internal Audit Services

AM Brown presented the Internal Audit Services Tender Report and gave a brief update on the scoring process.

The Board noted the tender report and approved the appointment of the Association’s Internal Audit Services contract for the period 1 April 2019 to 31 March 2022 to Quinn Internal Audit & Business Support Services, subject to the receipt of satisfactory references.
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10. **Tender Report: Finance & Accounting Services**

AM Brown presented the Finance & Accounting Services Tender Report and gave a brief update on the scoring process.

The Board noted the tender report and approved the appointment of the Association’s Finance & Accounting Services contract for the period 1 April 2019 to 31 March 2022 to FMD Financial Services, subject to the receipt of satisfactory references.

11. **Revised Business Plan 2019/20 to 2022/23**

AM Brown presented the revised Business Plan (BP) and asked the Board if they had any questions on the plan.

Page 1, Appendix: H Bayne asked if the appendices would be ready for the next Board meeting. AM Brown advised that the appendices were still a work in progress and would be presented no later than the April Board meeting.

Page 4: M Cameron asked if the table on the Charter Indicators had to be in the plan. AM Brown suggested that we could sign post readers to the Scottish Housing Regulator website instead. J Duncan highlighted that by leaving the table in the BP we are showing readers our excellent performance results.

H Bayne highlighted a couple of minor spelling mistakes for correction.

Page 14, Objective 1, Point 2 - Scottish National Standards for Information and Advice Providers: AM Brown highlighted that a bullet point would be inserted in relation to information and advice.

Page 16, Objective 2, Point 4 – Seek our Tenants Views: H Bayne asked about the pulse surveys and how we are seeking tenants views on what to survey. AM Brown advised that we have inserted a question within the Tenants Satisfaction Survey to gauge tenants views on what we should survey.

Page 19: Point 7.3 Strategic KPIs, 2nd paragraph: D Phee mentioned that Scottish Best Value Network had changed names to Scotland’s Housing Network.

The Board noted the revised Business Plan and agreed on the minor amendments with appendices will be presented to the Board in April 2019.

12. **Share Capital Report**

F Cunningham confirmed that there were no new or cancelled Share’s capital/certificates this month.
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The Board noted the update on Share Capital.

13. **Rent Report**

M Cameron confirmed the Rent Report is for information only and the details will be discussed at the next Operational Services Committee meeting.

The Board noted and approved the contents of the Rent Report.

14. **Operational Delivery Plan: Strategic Objectives**

F Cunningham presented the Operational Delivery Plan: Strategic Objectives report to the Board and gave a brief update.

J Duncan asked if all completed items could be coloured out. F Cunningham will amend report accordingly.

Page 4, Action Point 17 – Landscape Contract: J Duncan asked if the value of the contract was correct. F Cunningham advised that the figure was incorrect, that we were tendering Landscape and the Close Cleaning contract together. However after this year’s garden maintenance contract we have separated the contracts out. The figure will be amended for next month’s report.

Page 10, Action Point 58 – Climate Change & Low Carbon Emissions/Develop a Green Strategy: M Cameron asked why this date had been amended. AM Brown advised that there has been more critical items that required to be prioritised with first and this item will be carried forward to next year’s delivery plan.

Page 15, Action Point 85 – Shared Ownership: M Cameron asked for an update on the sharing owner that is looking to sell their property to the Association. F Cunningham advised that we have received the home report and the sharing owner is looking to sell there ¼ share back to the Association. We have just carried out our inspection and the property is in excellent condition a report will be brought to the Board next month for consideration.

The Board noted and approved the contents of the Operational Delivery Plan & Strategic Objectives Report.

15. **Governance Report**

AM Brown presented the Governance Report to the Board, no updates were required.

The Board noted and approved the contents of the Governance Report.
16. **Policy Register**

F Cunningham presented the Policy Register to the Board, the following updates were given.

**TOIL:** M Cameron asked why this policy was being presented in August. AM Brown advised that this was an error and that this policy would be presented to the Corporate Services Committee in April 2019.

The Board noted and approved the contents of the Policy Register report.

17. **Board’s Training Plan 2018/19**

F Cunningham presented the draft Board’s Training Plan and asked the Board if there was any other training that they wished included within the plan.

M Cameron thought the dates for IT training were a bit soon. F Cunningham advised that the laptops will be with us shortly and that the dates are only provisional at this time.

Away Day: H Bayne and J Duncan would not be able to attend the away day. C Taylor was unsure if she would be available however would be able to confirm shortly.

The Board noted and approved the contents of the Boards Training Plan Report.

18. **Key Performance Indicators 2018/19**

AM Brown presented the Key Performance Indicators Report and asked the Board if they had any questions. A couple of Board Members asked in relation to Ref 18 – Percentage of offers refused what the actual figure was. F Cunningham confirmed that there had been 2 refusals however would double check with A Hughes.

**Post Meeting Note:** there were indeed 2 refusals within the quarter.

The Board noted and approved the contents of the Key Performance Indicators Report.

19. **Notifiable Event**

AM Brown advised that this report was due to be presented to the Audit & Assurance Committee, however due to the meeting being rescheduled the report has been brought to the Board.

AM Brown advised that she was disappointed that the incident had occurred however was assured that this was a one off incident. Staff have reviewed the process and have new procedures in place. AM Brown suggested that this maybe an area that our
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Internal Auditor can look at. AM Brown advised that the Scottish Housing Regulator have closed this action.

J Duncan advised that our ARC submission for this 2018/19 will show 99% of gas servicing completed within anniversary.

The Board noted the contents of the Notifiable Event.

20. Correspondence

F Cunningham advised that there was no correspondence for this evening’s meeting.

21. Any Other Competent Business

M Cameron highlighted any other business for tonight’s meeting:

a) Review of Terms and Conditions: AM Brown advised that the staff member who had not been happy with the Job Outline assessment had been issued with a letter advising of the processes that should be followed if they wish to take this further. The letter issued gave a deadline date for submission, this date has past and no further action has been taken and has now been closed.

b) Clydesdale Bank Mandate: F Cunningham explained that we have a Clydesdale Deposit due to mature however we do not wish to roll over the deposit and cash it in. However on checking with the bank the authorised signatories are out of date and we are now required to update these signatories.

The Board agreed that the signatories would be M Cameron, C McCormack, J Brown, AM Brown, A Hughes & F Cunningham. The forms were duly signed and would be posted to the Bank in the morning.

22. Date of Next Board Meeting

Monday 25th March 2019 at 6.00pm

The meeting concluded at 7.45pm