PRESENT:

Morag Cameron Chairperson
Christine McCormack Board Member
Claire Taylor Board Member
Helen Bayne Board Member
Jeanette Brown Secretary
John Kilpatrick Board Member
Des Phee Co-optee

IN ATTENDANCE:

Anne Marie Brown Director
Frances Cunningham Senior Corporate Services Officer (SCSO) (Minute Taker)
Angela Hughes Senior Housing Services Officer (SHSO)
Robert Allison Maintenance Services Officer (MSO)
Fettes McDonald FMD Financial Services Ltd
Tom Atkinson Atkinson Partnership

1. **Apologies for Absence**

Apologies were tendered on behalf of Jaclyn McCann, John Duncan, Andrew Stevenson and Pat Bowden.

2. **Chairperson’s Remarks**

The Chair welcomed everyone to the Board Meeting.

3. **Declaration of Interests**

The Chair declared that she is now a member of the EVH Executive Committee.

4. **Minutes of Previous Meetings:**

4.a **Approval of Minutes of the Board Meeting held on Monday 29th April 2019**

The Board approved the minute as a correct record of the meeting held on Monday 29th April 2019; as proposed by Claire Taylor and seconded by Des Phee. The minute was then signed and sealed by the Chairperson.
4.b Matters Arising from Monday 29th April 2019

The Chairperson asked if anyone had any matters arising from the previous minutes of Monday 29th April 2019. Updates were given on the following:

Page 2, Agenda Item 4.b – Matters Arising from 25.03.19 – Boards Training Plan 2018/19: The Chair asked if any dates had been organised for Paul McNeil. SCSO advised that she had dates and would discuss this under Agenda Item 24.

Page 8, Agenda Item 6.b – Development Report: J Kilpatrick asked if we were any further forward with visiting A&S Homes other sites. The Director advised that nothing had been organised yet but would be in touch with everyone once we have some dates.

4.c Note Minutes of Audit & Assurance Meeting – Monday 13th May 2019

The draft minute of the Audit & Assurance Committee meeting held on Monday 13th May 2019 were noted by the Board.

H Bayne asked for her comment to be amended on Page 8 in relation to assurance statement.

4.d Audit & Assurance Meeting Recommendations – Monday 13th May 2019

Update: The SCSO advised that Quinn Internal Audit have amended the Internal Audit Plan to reflect the changes that the Audit & Assurance Committee wished. However, this has made Year 1 and Year 2 top heavy and Year 3 very light with audit work. Alex Cameron from Quinn Internal Audit has amended the timetable to reflect all topics however has spread them equally over the three years. Alex has highlighted that he will present the new audit plan to the next Audit & Assurance Committee.

The Board approved the following recommendations:

Recommendations

The Board approved the Management Accounts for the period to 31st March 2019.

The Internal Audit Plan the Board reflected on their proposed changes and agreed with the amendments that Quinn Internal Audit had made to spread the programme equally over the three years and would meet with Alex Cameron at the next Audit & Assurance Committee meeting.
5. **Director’s Report**

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

**Page 2, Item 2.2.2 – HUB (stock information database):** The Director advised that this item will be updated throughout the agenda.

**Page 3, Item 2.2.6 – Scottish National Standards for Information & Advice Providers – Re-accreditation:** D Phee asked if there was an update. The Director advised that she had posted question on Scotland Housing Networks forum however has not received any feedback. The Director will put out more feelers and will contact SFHA as she thinks the accreditation was part of the old Raising Standards regime.

**Page 3, Item 3.3 – Board/Committee Meeting Schedule:** The Director advised that the previous meeting schedule has been working well for the Board, however it hasn’t been working as well for staff. Operational Services Reports are outdated by the time the meeting is being held. The SCSO will alternate meetings with CSO for minute taking.

The Board agreed to trial the new schedule until year end and review if required.

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


F McDonald presented the Business Plan 2019/24 – Revised 30 Year Cashflow for 2019-2049.

F McDonald explained that we are required to have long term projections to make sure that we have long term viability and that we can demonstrate the following:

- Compliance with Regulatory Standards of Governance and Financial Management
- Viability on reasonable assumptions
- Covenant compliance/loan repayment
- Affordability
- Efficiency and value for money
- Need to consider “what if” scenarios
- Ability to manage “financial shocks”
- Need to satisfy any SHR Regulation Plan requirements
Main Assumptions and Comment

Inflation assumed at 2% long term-lower end of scale. Increases will improve figures.
Rent rises based on real 1% increase for next 5 years and then inflation only thereafter.
Sensitivity tab considers impact of changes in rent levels.
Rents generally lower than local peer RSLs as per rent tab information.
SFHA tool confirmed no material issues on affordability.

Voids and bad debts average 0.15% in last 8 years, model assumes 2% long term. This is a prudent assumption not a target.

Real cost rises assumed on all maintenance costs for full 30 years.
Model incorporates updated planned maintenance costs.
High end cyclical costs currently allowed for, includes estate costs.

No changes in staffing assumed in plan period.
Real 0.5% rise on management costs until year 10.
All staff in DC pension scheme at 10% contribution.
Recognised that staff and overhead ratios at higher end.
Limited ability to benefit from economies of scale.

Loan interest rates on bank funding rise gradually to 4% pre margin by year 7.
Low overall debt levels.
Peak debt at start of plan period.
No issues re loan covenant compliance.

Average annual costs allowed at £8.5k per annum for other fixed assets

Rent arrears move from current 2% up to peak 3.5% by year 4.

Overview

Ability to generate surpluses annually. Low profit margins
No issues with covenant compliance in base case model.
No liquidity issues-cash balance.

All debt repaid by year 17.
Cash exceeds debt by year 2
Ability to repay variable debt earlier exists

Main issues in terms of sensitivity analysis relate to inflation and rent increases as well as ongoing control of management and maintenance costs. In the event of inflation only cost increases then cash balance at year 30 rises by 51%.

The Director highlighted that she had met with F McDonald recently and that the impact on cyclical costs have on our projections are high and that the Board may have to discuss in the near future Service Charges in relation to Close Cleaning & Garden Maintenance.

The Board noted and approved the contents of the Business Plan 2019/24-Revised 30 Year Cashflow for 2019 - 2049 Report.


The MSO presented the revised Five-Year Maintenance Plan. The MSO took these figures from previous contracts and split them into Phases.

Cyclical compliance with Fire Regulations costs become high over the year however have been spread out, through the year.

EESSH 2 – Part of this rollout we will have to start looking at alternative heating supplies i.e. communal system, biomass where funding may be available for project.

J Kilpatrick asked if these figures had been used in the 30 years cashflow. MSO confirmed that he had taken these figures from 30-year cashflow.

H Bayne had asked what period we are using for renewals. MSO confirmed at present we are using national indicator which are normally set by manufacturers lifespan.

C Taylor asked if we had consulted tenants in relation to the bathroom replacements. MSO confirmed at present we had not consulted with tenants.

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

8. Business Plan 2019/24: Strategic Objectives Delivery Plan

The Director presented the Business Plan & Strategic Objectives Delivery Plan report to the Board.
Point 1.2.4: The Chair asked for the word deprivation to be removed as she felt tackling poverty covered description.

Point 1.2.9: The Chair asked if the abbreviations could be given their full title.

Point 3.1.1: The Chair asked if we could change consultant on a yearly basis.

Point 3.1.4: D Phee highlighted that the new model rule should be available for June.

The Board noted and approved the contents of the Business Plan 2019/24 - Strategic Objectives Delivery Plan Report.


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

**Strategic Objective 1, Point 4 – Directors Personal & Development Plan:** The Chair asked for the mid-year review to be removed.

**Strategic Objective 1, Point 11 – Rent Registration:** The Chair asked why the dates had been removed and had been replaced with ongoing. SHSO advised that our Rent Registration happen at different dates throughout the year in different years.

**Strategic Objectives 1, Point 13 – Director’ Holiday Toil & Expenses:** The Chair asked why the Secretary Role for checking staff holidays and toil etc. had been removed. The Director advised that we had had previous discussions and had agreed that this was an operational task for the Director. C McCormack suggested that for assurance why not insert a statement in the Director Reports covering Holiday Toil etc.

The Board agreed that a statement on Staff’s Holiday, Toil & Expenses would be inserted into the Directors Report.

**Strategic Objective 2, Point 22 – Office Remodelling Works:** The Chair asked why the date had been moved to 31.03.20. SCSO explained that due to the delays to date with office remodelling she was being over cautious with date.

**Strategic Objective 3, Point 16 – Procure External Auditors:** The Chair felt that the dates were wrong. SCSO explained that the External Auditor will enter into their third year 2020/21 (2018/19, 2019/20 & 2020/21) we would be looking to start procuring this service that year.
Strategic Objective 3, Point 17 – Procure Internal Auditors: The Chair felt that the dates were wrong. SCSO explained that the Internal Auditor will enter into their third year 2021/22 (2019/20, 2020/21 & 2021/22) we would be looking to start procuring this service that year.

Strategic Objective 4, Point 4 & 5 – Loan Portfolio & 5 Year Financial Projections: The SCSO highlighted that the Progress should have read that both documents were being presented to the Board tonight for approval and delegated authority to staff to submit to SHR.

The Board noted and approved the contents of the Business Plan 2019/24 - Operational Delivery Plan Report.

10. Annual Treasury Management Report

F McDonald highlighted that the Association’s Treasury Management Policy notes the requirement to report to the Board at least once a year on treasury management operations. F McDonald reported on the following information-

- Secured stock per lender and stock valuation data as at 31/03/19
- Loan information in relation to each lender as at 31/03/19
- Asset cover information as at 31/03/19
- Details of secured and unsecured stock as at 31/03/19
- Future proposed borrowings
- Projected cash flow position
- Covenant compliance
- Interest earnings from surplus funds
- Compliance with policy
- Treasury strategy for the next 12 months

F McDonald highlighted that there is an option to pay off a loan. D Phee mentioned that this would be good as the Association would be drawing down a new loan if we decided to progress the new build site. AM Brown agreed as we have been discussing this for a couple of year depending on the 30-year projections.

The Board noted and approved the contents of the Annual Treasury Management Report and agreed to pay off the Clydesdale Bank Loan.
11. **Five Year Financial Projections for Submission to Scottish Housing Regulator**

F McDonald presented the Five-Year Financial Projections (FYFP) to 31st March 2019 and explained that the FYFP budgets are the results to 31st March 2019 as per the draft management account figures.

F McDonald presented the Five-Year Financial Projections (FYFP) and highlighted that the Association is required to submit 5-year projections to the SHR on an annual basis.

F McDonald explained the Statement of Comprehensive Income and Statement of Financial Position projections together with details of main assumptions and ratios. The starting point for the figures are the results to 31 March 2019 as per the draft management accounts figures.

The main assumptions are based on the 30-year projections discussed at the meeting of 29th May 2019.

Projected Outturns, the surpluses are projected on an annual basis and average around £198.9k per annum.

Cash resources average £1.7m over the five-year period and at the end of year 5 cash balances are projected at £1.7m.

Debt levels drop by 37% over the 5-year period with loan balances of £1.28M at 31 March 2025.

The projections continue to demonstrate a positive financial outlook.

Rent increases will be reviewed on an annual basis and actual increases shall depend on annual budget projections and prevailing economic circumstances.

Added provision for voids, bad debts and rent arrears are planning assumptions as opposed to targets.

The information provided does not at this point include the impact of the new defined benefit pension accounting changes that may be reflected in the final accounts to 31/03/19.

**The Board approved the Five-Year Financial Projections for the period 31st March 2019 and gave delegated authority to staff to make the submission to Scottish Housing Regulator prior to the deadline of 30th June 2019.**
12. Loan Portfolio Return for Submission to Scottish Housing Regulator

F McDonald explained that the Loan Portfolio outlines our private lending profile. As a Registered Social Landlord we are required to provide certain standard information to Scottish Housing Regulator (SHR) on an annual basis with regard to the loans we have taken out over the years to build or renovate properties. F McDonald confirmed that the Association is maintaining our monthly payments and that we are complying with our loan covenants.

The Board approved the Loan Portfolio for the period 31st March 2019 and gave delegated authority to staff to make the submission to Scottish Housing Regulator prior to the deadline of 30th June 2019.

13. Development Report: Castlemilk West Church Site

The Director presented the Development Report and advised that at their meeting with Development & Regeneration Services (DRS) on 17th May 2019. DRS confirmed that they are prepared to approve the level of affordable housing grant for this project to be built.

The Director advised that we have to submit a project proposal and Strategy Development & Funding Plan (SDFP) to DRS by mid-June. The SDFP will be presented to the Board in June.

The Board noted and approved the contents of the Development Report: Castlemilk West Church Site.

T Atkinson joined the meeting at 7.02pm

14. Tender Report: Landscape Maintenance Contract:
(1 year with options for additional 4 years)

T Atkinson presented the Report on the Landscape Maintenance Tender. T Atkinson explained that eight tenders were received, however on inspection of the tenders two contractors had submitted low tenders which were unsustainable and they withdrew their tender.

T Atkinson and R Allison scored the tenders the lowest tender after the two withdrawals was Caledonian Maintenance Services Ltd. Subject to the 10 day stand still period T Atkinson is recommending to the Board the appointment of Caledonian Maintenance Services Ltd.
CRAIGDALE HOUSING ASSOCIATION MINUTE OF BOARD MEETING HELD ON WEDNESDAY 29TH MAY 2019 AT 6.00PM IN 83-85 DOUGRIE ROAD, GLASGOW G45-9NS

After discussion the Board approved the appointment of Caledonian Maintenance Services Ltd for our Landscape Maintenance Contract for the period 2019/20 with the possibility of extending the contract for an additional 4 years (31.03.24)

15. **Tender Report: Close Cleaning Contract:**
    (1 year with options for additional 4 years)

T Atkinson presented the Report on the Close Cleaning Tender. T Atkinson explained that six tenders were received, however on inspection of the tenders one contractor had failed ESPD criteria and they withdrew their tender.

H Bayne asked for an explanation on Upkeeps price. T Atkinson highlighted that Upkeep had only submitted price for Year 1 and not for Year 2-5.

T Atkinson and R Allison scored the tenders the lowest tender was Caledonian Maintenance Services Ltd. Subject to the 10 day stand still period T Atkinson is recommending to the Board the appointment of Caledonian Maintenance Services Ltd.

After discussion the Board approved the appointment of Caledonian Maintenance Services Ltd for our Close Cleaning Contract for the period 2019/20 with the possibility of extending the contract for an additional 4 years (31.03.24)

16. **Tender Report: Reactive Maintenance Contract:**
    (1 year with options for additional 3 years)

T Atkinson presented the Report on the Reactive Maintenance Tender. T Atkinson explained that this tender was procured on a capability and quality price basis. All Contractors were invited to submit hourly trade rates.

T Atkinson advised that fourteen contractors submitted tenders however only twelve contractors successfully passed the ESPD capability assessment.

T Atkinson advised that the Framework gives the Association more options in relation to the appointment of contractors i.e. we could appoint 1 Contractor in relation to our day to day and out of hours repairs service, or we could appoint 2 Contractors. We can use any of the contractors to tender for mini contract i.e. Electrical Inspections.

C Taylor asked why use the framework instead of just one contractor. T Atkinson advised that it gives the Association more flexibility.
After discussion the Board approved the appointment of 12 contractors for our Reactive Maintenance Framework for the period 2019/20 with the possibility of extending the contract for an additional 3 years (31.03.23). However, the Board agreed that a recommendation be put forward for the appointment of one contractor to deal with our day to day and out of hours repairs service.

*T Atkinson left the meeting at 7.29pm*

17 & 18 Annual Report of the Charter (ARC) and Energy Efficiency Standard for Social Housing (EESSH) Submission 2018/19

The SCSO, SHSO and MSO presented the ARC and EESSH Annual Return. SCSO highlighted that she had changed the format of the report this year to make the report easier to follow.

SCSO advised that Christine Dugan was in the office 28th & 29th May validating our return. C Dugan only managed to inspect 23 Indicators. Of these 15 were Validated, 2 Partially Validated, 13 Being worked on and 5 Discussed.

SCSO highlighted that the following Indicators have been amended.

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<th>Indicator Number</th>
<th>Heading</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>C13.1</td>
<td>Total Reactive Repairs:</td>
<td>1145</td>
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<td>12.1</td>
<td>Total Number of non-emergency repairs carried out:</td>
<td>878</td>
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<tr>
<td>13</td>
<td>% reactive repairs completed right first time:</td>
<td>94.76%</td>
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<tr>
<td>23</td>
<td>Average time to complete approved applications for medical adaptations</td>
<td>20.2 days</td>
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</table>

The Board approved the amendments to the ARC & EESSH Annual Return for 2018/19 and gave delegated authority to staff to make the submission to the Scottish Housing Regulator prior to the deadline of 31st May 2019.

19. Revised Scottish Secure Tenancy Agreement

The SHSO highlighted that the Operational Services Committee had asked for the revised Scottish Secure Tenancy Agreement (SST) to be presented to the Board for noting.
The Board highlighted a couple of amendments to the SST. The SHSO will make the required amendments to SST.

The Board noted and approved the amendments to the Scottish Secure Tenancy Agreement.

8.00pm The Chair highlighted to the Board that the Standing Orders would need to be suspended. The Board agreed to continue meeting to conclude all business on the agenda.

20. **Share Capital Report**

SCSO confirmed that there were no new or cancelled Share’s capital/certificates this month.

The Board noted the update on Share Capital.

21. **Rent Report**

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

The Board noted the contents of the Rent Report.

22. **Tenant Satisfaction Survey Finalised Report 2019**

The Director presented the finalised Tenant Satisfaction Survey Report 2019.

The Board noted and approved the finalised Tenants Satisfaction Survey Report for 2019.

23. **Policy Register – Quarterly Report**

SCSO presented the Policy Register to the Board and the following updates were given.

Page 3, Complaints-Unacceptable Actions: The Director advised that the date had been amended to coincide with the roll out of the SPSO Model.
Page 3, Customer Care: The Director advised that a date had been inserted for later this year to review policy as the Tenant Satisfaction Survey had been completed.

Page 4, Asbestos Management: SCSO highlighted that this should have been highlighted in Green not Rose.

Page 5, Factoring: SCSO advised that the wrong date had been put on the report it should have been 10.06.19.

Page 5, Rent Setting: SCSO advised that the wrong date had been put on the report it should have been 10.06.19.

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

24. **Board’s Training Plan – Quarterly Report**

SCSO presented the Board’s Training Plan and gave a brief update on the following:

Finance - Understanding and reading financial reports: SCSO advised that she had spoken with Paul McNeil and have agreed on Monday 7th October 2019 and will email dates around all Board Members to see who is available.

Governance – Model Rules, Assurance Statement and Roles & Responsibilities: SCSO advised that this date has changed and will take place on Monday 5th August 2019 and will email dates around all Board Members to see who is available.

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

25. **Key Performance Indicators 2018/19 – Quarterly Report**

The Director presented the Key Performance Indicators (KPI’s) Report and asked the Board if they had any questions. The Chair asked why the figures are not the same as the ARC. SCSO highlighted that the KPI’s are calculated only for the quarter where the ARC figures are calculated for the whole year.

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

The Secretary advised that we had received the following correspondence.

a) Police Scotland: Have written advising that Operation Venetic has been running in Castlemilk since April 2018. A Team of designated Officers have been providing a high-visibility presence and a decision has been made to extend the operation for a further 6 months.

Police Scotland are asking if the Association would consider contributing towards the cost of a new police vehicle.

**After discussion the Board agreed not to donate toward the purchase of a second police car for the area.**

27. **Any Other Competent Business**

There was no ACOB for tonight’s meeting.

a) The Chair suggested organising a walkabout our stock for our new Board Members so they have an idea about the stock they are making decisions about.

The Board felt that this was a great idea and will be organised in the near future.

28. **Date of Next Board Meeting**

Monday 24th June 2019 at 6.00pm

**The meeting concluded at 8.35pm**