

CRAIGDALE HOUSING ASSOCIATION LIMITED MINUTE OF BOARD MEETING HELD ON MONDAY 31ST MARCH 2025 AT 6.10 PM

Craigdale Housing Association Limited					
Report To:	Board of Management				
Meeting Date:	Monday 28 th April 2025				
Agenda Item:	4a	Approval of Minutes of Board Meeting – 31.03.25			
Status:	Confidential		For:	Approval	✓
	Non-Confidential	✓		Discussion	
				Noting	

PRESENT:

Des Phee	Chairperson
Louise Bacon	Vice Chair
Stephen Baxter	Secretary
Claire Taylor	Treasurer
Christine McCormack	Board Member
Morag Cameron	Board Member
Kevin Boyle	Board Member
Stephen Kelly	Board Member
Lucy Madigan	Board Member
Rebecca Leedham	Co-optee

IN ATTENDANCE:

Linda Chelton	Chief Executive Officer (CEO)		
Frances Cunningham	Corporate Manager (CM)		
Lisa Campbell	Senior Housing Officer (SHO)		
Callyn McTaggart	Corporate Assistant (CA)		
Fettes McDonald	FMD Financial Services	Left Meeting	18:35pm

1. Apologies for Absence

There were no apologies submitted for tonight's meeting.

Leave of Absence: None.

Absent: None.

2. Chairperson's Remarks

The Chair welcomed everyone to tonight's meeting and advised that the following Agenda Items would be brought forward so that our consultant could present their reports then leave the meeting:

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- Agenda Item 7: Annual Budget 2025/26 - Final
- Agenda Item 8: Long Term Projection 2025/26
- Agenda Item 9: Five Year Budget Report

3. **Declaration of Interest**

- Des Phee noted an interest in relation to Southside Housing Association, Agenda Item 5: Chief Executive Officer & Governance Report, Point 4.3.1 Welfare Rights Services.
- Des Phee (Chairperson) declared an interest in relation to Agenda Item: 17.a Correspondence - EVH Employers Ballot 2025.
- Stephen Baxter (Secretary) declared an interest in relation to Agenda Item: 17.a Correspondence - EVH Employers Ballot 2025.
- Kevin Boyle (Board Member) declared an interest in relation to Agenda Item: 17.a Correspondence - EVH Employers Ballot 2025.

4. **Minutes of Previous Meetings:**

4.a **Approval of Minutes of Board Meeting held on Monday 24th February 2025**

The Board approved the minute as a correct record of the meeting held on Monday 24th February 2025

Proposed By: Kevin Boyle **Seconded By:** Stephen Baxter

The minute was signed and sealed by the Chair.

4.b **Matters Arising from the Board Meeting held on Monday 24th February 2025**

The Chair asked if anyone had any matters arising from the previous minute of Monday 24th February 2025.

There were no updates from matters arising report.

The Board noted and approved the Matters Arising Report from the Board meeting held on Monday 24th February 2025.

4.c **Draft Minutes of the Community Events Groups Meeting held on Friday 7th March 2025**

The Board noted and approved the minute of the Community Events Group meeting held on Friday 7th March 2025.

Proposed By: Morag Cameron **Seconded By:** Christine McCormack

4.d **Matters Arising from the Community Events Groups Meeting held on Friday 7th March 2025 Recommendations for Approval**

There were no matters arising from the Community Events Groups Meeting held on Friday 7th March 2025.

5. Chief Executive Officer & Governance Report:

The CEO presented the Chief Executive Officer & Governance Report to the Board advised the following:

3.1.1 Damp & Mould Pilot: The CEO apologised, only Des Phee made the final cut for the video. The Launch went really well, and it was good seeing the other projects and there is a potential link with an air quality product. The CEO highlighted that there is currently no further funding available however we have managed to obtain a further 20 UNITY monitors.

- Des Phee asked if there was any feedback for the launch. *The CEO confirmed that the feedback was really good. The CEO highlighted that she had also met with Louise Bacon in regard to the Fuel Redress Scheme to access further funding.*

3.1.2 Fly-tipping and Bulk Uplift: The CEO highlighted that she had met with GCC and that the bulk had been lifted from the lane between 6-8 Birgidale Road.

- M Cameron mentioned that only a small amount of bulk had been lifted from 33-35 Downcraig Drive last week and that the kids are playing on the furniture. *The CEO highlighted that Glasgow City Council (GCC) temporarily stopped taking bulk however this has restarted. The CEO also highlighted that our new Landscape contractor Linear start the 1st April and should be uplifting any bulk from the airspace gates. Also will have a discussion with GWSF about restarting meetings with GCC.*

3.1.3 Board & Committee Structure: This report will be brought to the June Board Meeting.

The Board noted and approved the Chief Executive Officer & Governance Report.

6. Development Report

The Chair advised the Board that they had agreed on 27.02.23 that this report would be moved to a quarterly cycle. The next report is scheduled for 19th May 2025.

The Board noted and approved the Development Report.

7. Annual Budget 2025/26 - Final

Fettes McDonald presented the cover report for the final Budget 2025/26 and advised the following:

F McDonald advised that the draft budget indicated a surplus for the year of £103k. Changes to the draft are due to lower management costs (£20k), higher repair costs (£67k), lower property depreciation (£24k) and lower wider action costs (£5k). Boiler and radiator costs have also been removed from the draft budget.

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The final budget for the year indicates a projected surplus of around £84k. As always, the projected outturn will depend on the assumptions employed and any changes in the assumptions will result in a change to the expected position.

F McDonald advised that the following assumptions were used.

- Rent rise of 4.3%
- Voids of 0.5%
- Bad debts at 0.5%
- Salaries increase by 4% plus increments where applicable
- Overall maintenance provision of £764k
- Medical adaptations £14k
- Loan interest rates pre margin at rate of 4.5%
- Component replacement costs of £60k
- Spend on other fixed assets £1k
- Gross rent arrears of 3.5%
- Loan capital repaid of £138k
- Pension deficit payment of £nil

Overall surplus for year of £84k.

The cash position at April 2025 is projected at £2m with the balance increasing to £2.1m by March 2026. This remains a relatively strong position.

Based on the final budget loan covenant compliance is achieved with headroom of £635k.

Staff costs as a % of turnover and rent ratios continue to show positive outturns. Overheads as a % of turnover is high but includes a number of one-off costs. Planned maintenance costs per unit are high but relate to the projected loft insulation costs.

Updates to the long-term projections shall be carried out in the final quarter of 2025/26 and these shall form the basis of the 5 year budget submission to SHR.

- M Cameron asked what the miscellaneous costs on Page 2a, 4. Major Repairs of £40k and Page 3a, Component Replacements. *F McDonald explained that the Major Repairs budget related to door replacements, fencing, drainage repairs, and component replacement repairs related to one-off boiler, kitchen replacements during the year. Fettes mentioned that over the past couple of years he has highlighted the overspend within this budget.*

The Board noted and approved the Final Annual Budget 2025/26.

8. Long Term Projections 2025/26

F McDonald explained that we are required to have long term projections to make sure that we have long term viability.

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F McDonald explained that the Main summary outputs highlight the Assumptions & Cashflow Tab and details the unit assumptions, NPV and Cash-Flow. The SOCI, SOFP, covenant compliance information, KPI details and sensitivity analysis are the other main outputs.

F McDonald highlighted the detailed working schedules of all revenue income, cost information and balance sheet information and mentioned that some cases include historic data.

The tabs marked in green include SHR statistics, SHR cash flow statement and a reconciliation to the annual budget.

The opening figures are based on the budget 2025/26 assumptions.

F McDonald mentioned that Inflation has been assumed at 2.3% year 1 then 2.5% long term. No new build activity has been included.

F McDonald explained that the rent rises are based on a real 2% increase year 2 and a real 1% for next 3 years and then inflation only thereafter. The Sensitivity tab considers impact of changes in rent levels and highlighted that our rents are generally lower than local RSLs and mentioned that the Association uses the SFHA tool and confirmed no material issues on affordability.

F McDonald highlighted that void and bad debts have averaged at 0.43% in the last 3 years-model and has assumed costs double long term. This is a prudent assumption not a target.

F McDonald mentioned that Real cost rises assumed on all maintenance costs for full 30 years. The model incorporates updated planned maintenance costs.

F McDonald explained that 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 10.45% contribution and limited ability to benefit from economies of scale.

F McDonald mentioned that Loan interest rates at 4.5% year 1, then 4%-pre margin. That there is an increase in debt levels as a result of new build funding with Peak debt year 1 and Base case assumes bullet repayment year 8 with option to refinance. This will result in no issues re loan covenant compliance in base case.

Our average annual costs allowed at £5.5k per annum for other fixed assets.

And rent arrears assumed at 3% long term-historic record of very low rent arrears.

F McDonald gave a brief overview of our assumptions and highlighted our ability to generate surpluses annually. There are no issues with covenant compliance in base case model. We have no liquidity issues with cash balance. All debt repaid by year 12. Cash exceeds debt by year 5.

Main issues in terms of sensitivity analysis relate to rent increases as well as ongoing control of letting and management and maintenance costs. In the event of lower inflation and interest rates the impact is neutral over the long term. EESSH 2 position shall be reviewed once guidance and funding support finalised.

The Board noted and approved the 30 Years Long-Term Projections 2025/26.

9. Five Year Budget Report

F McDonald explained that the Association is required to submit the Five-Year Financial Projections (FYFP) to the Scottish Housing Regulator on an annual basis and explained that the figures have been based on the first five years of the 30 Years Long-Term Projections which was approved at Agenda Item 8.

F McDonald explained that the surpluses are projected on an annual basis and average around £230k per annum and cash resources average £2.1m over the five-year period and at the end of year 5 cash balances are projected at £2.2m.

The projections continue to demonstrate a positive financial outlook and there are no issues regarding loan covenant compliance. The SHR template notes the level of headroom available on the various covenants.

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

The Board noted and approved the Five-Year Financial Projections with delegated authority for submitting to Scottish Housing Regulator.

10. Policy Review:

10.a Code of Conduct 2024 (Staff)

The CM presented the Code of Conduct 2024 (Staff) and advised that the SFHA commissioned Linda Ewart to update this model document and was approved by SFHA in consultation with EVH, and endorsed by SHR. The CM has updated the document with relevant titles and references to policy.

The Board noted and approved the Code of Conduct 2024 (Staff).

10.b Code of Conduct 2024 (Board)

The CM presented the Code of Conduct 2024 (Board) and advised that the SFHA commissioned Linda Ewart to update this model document and was approved by SFHA in consultation with EVH, and endorsed by SHR. The CM has updated the document with relevant titles and references to policy.

The Board noted and approved the Code of Conduct 2024 (Board).

10.c Staff Training & Development Policy

The CEO presented the Staffing Training & Development Policy and advised that the main amendments to the document were minor and related to formatting and job titles.

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The Board noted and approved the Staff Training & Development Policy.

11. Membership Report

The CM reported that we had received a completed membership form from the following tenant:

- Yvonne Hamilton

And gave an update in relation to the total membership to date.

Members at 24 th March 2025	78
Members Cancelled	02
New Members	02
Members at 24 th March 2025	78

The Board noted and approved the new membership application and report.

12. Notifiable Events Report

The CM gave a verbal update and advised the Board that we currently have no live notifiable events.

The Board noted that there were no Notifiable Events.

13. Rent Report: February 2025

The SHO presented the Rent Report for February 2025 and gave the following update.

The SHO highlighted that the rent arrears were £46,923.59 and had increased by £523.54 from last month and that the former tenants rent arrears were £3,766.76 and had decreased by £3,809.15.

The SHO advised that Current Arrears target was 3% and was currently sitting at 2.99%, the Actual Arrears target was 2% and target was currently sitting at 2.31%.

- The Chair asked for an update in relation to the Court Case, in relation to the tenant keeping to the repayment agreement. *The SHO confirmed that the tenant has kept to the £170.00 per week.*

The Board noted and approved the Rent Report for February 2025.

14. Business Plan 2024-27: Strategic Objectives Delivery Plans (Q3)

The CEO presented the Business plan 2024-27: Strategic Objectives Delivery Plans and noted that all had been started and progressing well.

The Board noted and approved the Business Plan 2024-27: Strategic Objectives Delivery Plans (Quarter 3)

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15. **Business Plan 2024-27: Operational Delivery Plans (Q3)**

The CM reported on the Operational Delivery Plans (Q3) and noted that everything was progressing well. The CM highlighted that a number of the actions are in red due to the project being put on hold as the remedial works to doors at our Phase 6 & 7 properties have eaten into this budget. Also highlighted that JMP were struggling to employ a Surveyor to carry out the Stock Condition Surveys.

- SO1: Bathroom Replacement Contract – Phase 3 Monitoring Progress: Claire Taylor asked what the issues had been with the Contractor. *The CEO explained that the Contractor had used the wrong specified components. There are two bathrooms that we are not paying as contractor, made a mess of the install and we are having to get MCN to strip out the work and install new bathrooms. The CEO highlighted that we will be looking at possibly changing the scoring for the next tender.*

The Board noted and approved the Business Plan 2024-27: Operational Delivery Plans (Q3)

16. **Equalities & Human Rights Action Plan Report (Q3)**

The CEO advised that this report has been adapted from a recommendation from the External Governance Review. The report has been devised to keep track of our Equalities & Human Rights Action Plan. The CEO highlighted that we will be reviewing this before the end of 2025.

The Board noted and approved the Equalities & Human Rights Action Plan Report (Q3)

17. **Correspondence**

The Secretary presented the following correspondence:

- a) Castlemilk High School - The Croft Donations: The Association agreed to donate £250.00 to the Croft.
- b) EVH - Employers Ballot 2025: The CEO highlighted that the ballot paper had been circulated around Board and that the Board approved retrospectively the EVH Employers Ballot for 2025.
- c) SHR: Annual Assurance Statement
- d) EVH: Newsletter (March 2025)
- e) GWSF: Governance Report (March 2025)

The Board noted the Correspondence Report.

18. **Any Other Competent Business**

- a) Nationwide: Customer Mandate Form – Extract of Minute of Meeting for signing

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- b) Castlemilk Food Pantry: Louise Bacon highlighted that the Food Pantry is moving from the Community Centre to the Birgidale Complex in the next couple of weeks.
- c) EVH Conference: Morag Cameron highlighted that as she is a member of the Executive Committee there is a free space available for a Staff or Board Member to attend. Linda will take the free position.
- d) Website: Morag Cameron mentioned that she had been on the website and noted that Callyn wasn't on under staff members and that there was a lot of policies on the website that are out of date. *CM advised that she was sure Callyn was on but would double check in the morning. In relation to the policies, these are the most up to date policies that we have and that we are currently reviewing two/three policies at the Board meetings every month.*

Post Meeting Note: Callyn is on website however he doesn't have a bio at present.

CEO advised that Kisweb our website provider has offered a free audit of the website, which will be carried out over the coming months.

19. Date of Next Meeting

Board Meeting:

Monday 28th April 2025 at 6:00PM

The meeting concluded at 7:40pm

Minute Signed by the Chairperson:
