

**CASSILTOUN HOUSING ASSOCIATION**

**MINUTE OF MEETING OF BOARD OF MANAGEMENT  
HELD ON WEDNESDAY 20<sup>TH</sup> MARCH 2019 AT 6.00 PM  
IN CASTLEMILK STABLES, 59 MACHRIE ROAD**

**Present:** Anna Stuart MBE      George Kelly  
Evelyn Ferguson      Teresa McGowan  
William Craig      Julie McNeil  
Debbie MacKenzie

**In Attendance:** Charlie Millar      Chief Executive Officer  
Fiona McGowan      Director of Operations  
Clair Malpas      Regeneration Manager  
Gamal Haddou      Director of Finance/IT  
Paula Brownlie      Corporate Services Manager  
Mark Ewing      TC Young (Part Meeting)  
Laura Edwards      Development Consultant (Part)  
John Williams      Housing Manager (Property)

**1a. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES**

Apologies were received from Teresa Sadler, James Garrow, Donna Ferguson and Richard Sullivan.

The Board were reminded that they were to speak through the Chair.

No fire drill planned for today.

**1b. QUORUM**

As per the Association's Rules, the Quorum for the Board of Management Meeting stands at 4 members.

**2. CONFLICT OF INTEREST (PERMANENT REGISTER)**

None

**3. MINUTE OF MEETING HELD ON 6<sup>TH</sup> FEBRUARY 2019**

The minutes was noted and approved on the motion of George Kelly and seconded by William Craig.

4. **MATTERS ARISING FROM MEETING HELD ON 6<sup>TH</sup> FEBRUARY 2019**

No matters arising.

5. **ACTION LIST FROM MEETING HELD ON 6<sup>TH</sup> FEBRUARY 2019**

1. Notifiable Event re properties at:-

- 46, 48 and 50 Machrie Drive
- 99 and 113 Barlia Drive

Delegated authority given to CEO if consent is required from SHR  
Awaiting approval from the Council for the disposal of the land.

**Chief Executive reported that it is hopeful that this will be concluded imminently.**

2. VFM/Risk Register Workshop to be carried out with the Board in New Year

**New Chief Executive to take this forward.**

3. Further visit to Crudens Development to be arranged for Spring

**New Chief Executive to arrange.**

4. GWSF Response to Housing Beyond 2021 – workshop to be set up to discuss further our response

**To be arranged.**

5. Adam Milligan – invite to next meeting to say farewell and thank Adam for his support and contribution

**Unfortunately, Adam Milligan was unwell and was unable to attend. We will arrange another date that is suitable to Adam.**

All other actions have been completed.

6. **CHAIRS REPORT**

The Chair reported.

**28<sup>th</sup> January:** Tender opening for Landscaping of Nursery Site. Teresa McGowan and the Chair participated in the interviews directly after the tender opening.

**1<sup>st</sup> & 2<sup>nd</sup> February:** SFHA Chair's Conference at Westerwood Hotel. George, Evelyn and the Chair attended. Good workshops.

**4<sup>th</sup> February:** EVH Monthly Meeting. Director of EVH gave a talk on Governance and what can go wrong. Still no confirmation on salary pay rise for EVH members. They are in negotiations with the Unions.

**11<sup>th</sup> & 18<sup>th</sup> February:** Attended SHARE Training with George Kelly on annual reviews. The Association is well on track based on the information provided by SHARE.

**21<sup>st</sup> February:** Trust Business Planning Day

**1 – 3<sup>rd</sup> March:** SHARE'S Annual Conference, Peebles Hydro: Chair attended with George, Evelyn, Jim, Chief Executive, Regeneration Manager, Corporate Services Manager and Corporate Services Assistant. Good speakers and workshops were informative.

**4<sup>th</sup> March: Community Council meeting:** Attended the meeting with Maureen Cope, Christine Devine, Willie Docherty (Mears) re Torbrae.

**11<sup>th</sup> March:** Community Council Meeting: Another meeting about Torbrae with representatives from GHA, Ardenglen HA; Northview HA and Cassiltoun HA. Willie Docherty and John Taylor from Mears was also present. A public meeting will take place in 3 weeks.

**12<sup>th</sup> March:** Attended opening of new build at Govanhill with Clare MacLean. The opening was officiated by Kevin Stewart, Housing Minister.

**14<sup>th</sup> March:** Community Council Meeting

**18<sup>th</sup> March:** Health & Safety Committee Meeting – attended with Teresa McGowan and Evelyn Ferguson. No issues.

**20<sup>th</sup> March:** Interviews for the post of Part-time Welfare Rights Officer with Anne Millar and Clare MacLean.

**Letter from Donna Ferguson, Board Member:** Donna has asked for leave of absence as her mother is ill and she needs to care for her. The Board approved Donna's request for a 3 month period.

## **7. SOCIAL ENTERPRISE 4**

The Chairperson introduced Mark Ewing, TC Young who will be outlining his advice on the set up of Social Enterprise 4.

The Chief Executive reminded the Board that it was agreed to pursue the option of a Social Enterprise that would take over the Environmental Services of the Association. Mark Ewing from TC Young was invited to the Board Meeting to outline his advice on the way forward for the business.

Mark Ewing intimated that he had met with the officers of the Association before Christmas. The Feasibility Study was looked at and discussion took place around the legal structure of setting up the company to take forward the Environmental Services for the Association.

The new business would be an active organisation taking on the Environmental Services for the Association. It would fit into the group structure and would have responsibility to the parent, Cassiltoun Housing Association.

There was a debate around the anticipated activities of the company and if the works were charitable in nature. Discussion also took place regarding the consideration of setting the company up as a charity. This would allow tax relief, access to funding and have charitable status.

Regulation would be to OSCR. It would also provide restrictions to be company as it would have to have a charitable purpose. Officers confirmed that it would be a charitable organisation.

Mark Ewing confirmed that the Articles of Association for the company would be based on that of a charitable company. This document was given to the Chief Executive before Christmas and not yet circulated to the Board. It was agreed based on approval from the Board, that TC Young would apply to OSCR. After discussion, it was agreed that Mark Ewing would pull together the application to OSCR and the Chief Executive would update on the position at the next Board Meeting. Mark confirmed that OSCR could take up to 3 months based on the number of applications they have received.

The Association would aim to have the company up and running with operational delivery from 1 October 2019 but would want the company registered before this date.

The Chair enquired as to whether the Association would have to notify the SHR of our intentions to set up this new subsidiary? Mark confirmed that the Association no longer needed consent from the SHR but that it was a notifiable event to inform them of our intention to set up the new company. It was agreed that the SHR should be notified in April after completion of the Business Plan, financial model and shadow Board meeting. Mark stated that the SHR would probably come back to the Association on our financial model and governance arrangements for the new company. Mark confirmed that he would work with the Association on the governance arrangements required.

Another point to consider was that of our lender's consent. Is there a provision in the loan agreement to get consent from them before setting up a subsidiary? Director of Finance will action this.

Julie McNeil enquired if Mark Ewing was of the opinion that the new subsidiary was a high risk? Mark intimated that in his opinion he did not see it as a high risk. However, it was inevitable that in setting up any new company, there is an element of risk. However, as a new company, it is a well-considered proposition and the Association must ensure that all the SHR's Regulatory Standards are covered when setting it up. The financial model is of the utmost importance for taking the venture forward.

The Chief Executive informed the Board that the SMT and John Williams, Housing Manager (Property) were working on the Business/Financial Plan for this new subsidiary. They have carried out research with other RSLs who have done the same and visited them to ascertain the strengths and weaknesses of setting up the company. The Business Plan's assumptions are based on benchmarking information from other similar companies. The Business Plan is coming together but we still need to carry out scenario planning before bringing back to the Board. The Association will set a management fee for the new company for the services that they will provide.

On the advice of other organisations that have set up similar companies, they advised that it best to set up the Stair Cleaning part of the business first and a minimum of two years later take on the environmental services.

The Chief Executive confirmed that the nature of this work is of a benefit to the community and that cost isn't a barrier for taking it forward. The Business Plan is currently taking shape of the costs involved. Debbie MacKenzie intimated that the new business will give the Association the opportunity to offer other services to the local community. Julie McNeil intimated that the money received would be going back into the community.

***After discussion, the Board unanimously agreed in principle to explore the setting up of the new subsidiary. An application will be made to OSCR by TC Young but the Board were assured that this does not commit us to taking the business further.***

Discussion took place regarding the funding of the new business. The Chief Executive confirmed that it was common for the Parent to provide a loan. This loan would be set up via a Loan Agreement with interest payments. There is also an option to consider that the Parent could give a non refundable grant to the new business.

Mark Ewing confirmed that there were hurdles to consider around the non refundable grant. Clarity is required around the basis as to why the grant is given. The Parent would also require to have a Donations Policy in place.

Clair Malpas confirmed that the draft Business Plan was based on a loan from the Parent. The Parent would charge interest based on the Bank of England base rate. Discussion took place regarding deferring payment of the loan in Year 1 and 2. The current business plan is based on a £50k loan and would be paid back in a devised period.

The Board will receive an update on the new business proposals at the next Board meeting.

Mark Ewing left the meeting – 6.40 pm.

John Williams, Housing Manager (Property) gave the Board an update position on SE4.

The Association have made a commitment to improving Cassiltoun's environment. A Feasibility Study has been carried out and tenants have been consulted. "Your views shape services". A survey has been carried out with all tenants of 139 closes. We asked them questions on the provision of environmental services. Our business plan is currently coming together taking into account the Feasibility Study and talking to other providers.

To achieve greater control and efficiency with how we manage our assets"

The Chair enquired as to whether tenants would have a better say on the provision of environmental services. John confirmed that there would be more flexibility on the service delivered and that we would be managing the expectations of tenants and instil the Association's values into the new business. We want to ensure that they receive a good quality service.

Evelyn Ferguson enquired as to how much the Association would save by setting up the new business. John confirmed that the Business Plan will illustrate this when presented to the Board. The Chief Executive confirmed that we would be looking to make some VAT savings and improve services.

John confirmed that the new Board of SE4 will receive updated reports on performance similar to that of the Operations Sub Committee. We will be able to demonstrate value for money.

William Craig enquired if the new company would sell its services to other RSLs in the community. Regeneration Manager intimated that procurement legislation would come into the equation, however this could also be explored in the future.

Julie McNeil intimated that she would hope to see an improvement in the area with the setup of the new company.

The Board thanked John Williams for his update.

## 8. CONTRACTOR AND SUPPLIER STRATEGY

Laura Edwards, Development Consultant presented the above Strategy previously circulated with the agenda.

The Strategy gives the Board assurance that the Association are managing contracts and how the contractors are being monitored to ensure they are complying with the terms of the contract.

The Strategy will be reviewed annually.

***The Board noted and approved the Contractor and Supplier Strategy on the motion of Teresa McGowan and seconded by William Craig.***

## 9. PROCUREMENT STRATEGY - UPDATE

Laura Edwards, Development Consultant presented the above Strategy previously circulated with the agenda.

As the Board are aware, the Strategy is legal requirement that has to be sent to the Scottish Government annually.

The Strategy has been updated to reflect the appointment of our new Chief Executive, Clair Malpas.

***The Board unanimously approved the updated Procurement Strategy. A copy will be sent to the Scottish Government tomorrow.***

## 10. CHIEF EXECUTIVE'S BI MONTHLY REPORT

Chief Executive Officer presented his Bi Monthly Report for March 2019.

**SHR Revised Regulatory Framework for April 2019:** The Board had previously discussed and reviewed the potential changes to the regulation of Scottish housing and in addition many members have attended seminars, workshops and conferences to help contribute to the consultation. The Board's awareness of the new regulatory changes is high.

A copy of the GWSF briefing note on the new Regulatory Changes was circulated to the Board for information. The Association has prepared for the proposed changes and this has been developed over recent months.

Moving forward, the Association will be well placed to confirm to the SHR that the Board are assured that compliance levels are high. The new Chief Executive and the Corporate Services Manager will work with the Board to develop an "Assurance Statement" that can stand up to scrutiny. The Association has developed very high standards of regulatory compliance and is well placed within its culture of adherence to continue to perform well in this area.

**Cost of Living Staff Salary Increase from 1st April 2019:** The Staffing Sub Committee approved a cost of living salary increase of 2.5% from 1st April 2019. The offer was based on a number of factors such as benchmarking, inflation rates and the Association's business planning controls. A copy of the full report for those Board members who are not members of the Staffing Sub Committee was circulated.

The Staffing Sub Committee considered several options before deciding to offer 2.5%. The staff team have been consulted and have overwhelmingly accepted the offer. In the coming weeks, the new Chief Executive will work with the Staffing Sub Committee to discuss a 3 year pay deal. Many employers (EVH) are keen to extend to a 3 year deal to avoid annual negotiations and for financial planning purposes. They will consider the outcome of the EVH (full member) 3 year consultation as a benchmark guidance. ***The Board approved the Staffing Sub Committee pay award of 2.5% effective from 1<sup>st</sup> April 2019.***

**Handover process to new Chief Executive:** The Chief Executive has been working with Clair Malpas, to ensure a smooth handover process. A copy of the handover plan was circulated to the Board for their information. The Chief Executive intimated that he had agreed to remain as a Board member of Cassiltoun Trust to offer his experience to the Trust and help assist the handover process.

**Development Update:**

Barlia 3 – Construction is going well with no major issues to report. The first site expected to be completed is the old labour club site.

Castlemilk Drive – Discussions are underway with Crudens regarding the timescales, specifications and costs. Further discussions are required with Glasgow City Council regarding the tender price and grant level. We await pricing information on construction costs.

Nursery Site – Good news is that the Council have given a positive response to the feasibility study and whilst some actions have been suggested by the Council’s project team they have advised that they support the development

**Brexit Implications:** A copy of the Association’s Action Plan on proposed Brexit implications was circulated to the Board for their information. The Plan will be continuously developed and updated as required to help mitigate any risks as a result of Brexit.

**GWSF Draft Strategic Priorities 2019/20:** A copy was circulated to the Board for their information

A copy of the Chief Executive’s Bi Monthly Report will be circulated to those board members who were not able to make the meeting.

***The Board noted and approved the contents of the Chief Executive’s Bi Monthly Report for March 2019.***

**11. FINANCE REPORTS**

**11a. MANAGEMENT ACCOUNTS – JANUARY 2019**

The Director of Finance & IT presented the January accounts previously circulated with the agenda.

He outlined that he would give some highlights of the two months, January and February.

Running costs trends are no different to previously. Development spend is lower, so cash is higher.

The pensions forecast for SHAPS has now changed to reflect comments from our sector.

Bank covenants – all achieved.

KPIs for January: -

Accounts being produced in 22 days instead of 20 days. This is due to staff holidays.

Suppliers paid on time – average is 22.8 days, target 22 days

Accuracy of maintenance forecasts: £1318k – target should be within £42k or 3%

***The Board unanimously approved the Management Accounts for January 2019.***

## **11b. 2019/20 BUDGET**

The Director of Finance presented to 2019/20 Budget previously circulated with the papers. The budget complies with the SHR's Regulatory Standards and auditors expectations.

The rental income had already been approved at the previous board meeting held on 6th February 2019.

The Director of Finance explained that there were many factors to weigh up including tenants disposal income, the general economy, operational demands and the Association's current performance.

The Director of Finance took the Board through the main income and cost items including expected development expenditure, IT replacement, garden sun room and void improvements.

Overall the draft budget produces a surplus of £294k based on a total income of £5,081k. The comparison to the business plan is broadly close although the largest real differences are on

- more Other income
- less Voids loss
- higher Reactive maintenance
- higher Tenant participation & Regeneration
- CAF non utilisation Bank charge but offset by less Loan interest
- different Castlemilk Drive programme.

The Board considered the proposed budget and took the operational assumptions into account:-

- i) A 3% uplift to the owner occupier management charges,
- ii) agreeing 6% mat/paternity, sickness, overtime, allocations, TOIL, etc allowance,
- iii) £35k incurred to acquire and fit out an outdoor garden room for meeting space,
- iv) major repairs predominantly on kitchens & smoke/heat detectors plus bathrooms, and
- v) development at Castlemilk Drive but subject to a prior financial appraisal in conjunction with the Financial Consultant

The Chair enquired as to why the figure for Tenant Participation was higher? Director of Finance & IT confirmed that there was more grant for the Team's spend.

George Kelly enquired as to why Insurance costs were higher? This was due to more claims in this financial year.

Evelyn Ferguson enquired if the budget took into cognisance potential FOI costs? Director of Finance & IT confirmed that it did (Legal).

After discussion, the Board thanked the Director of Finance for the detailed and thoroughness of the Budget pack and unanimously approved the 2019/20 budget.

## **8.00 PM – STANDING ORDERS**

### **12. STRATEGIC AND OPERATIONAL OBJECTIVES 2019/20**

Clair Malpas, Regeneration Manager presented the Strategic and Operational Objectives for 2019/20 previously circulated with the agenda.

***The Board unanimously approved the Strategic and Operational Objectives for 2019/20.***

### **13. GDPR UPDATE**

Nothing to report.

### **14. CORRESPONDENCE**

***EVH 21<sup>st</sup> AGM, Monday 1 April 2019, EVH's Offices:*** Copy of papers available from the office.

***EVH Governing Body One Day Seminar, Sunday 12<sup>th</sup> May 2019, Radisson Blu Hotel:*** programme to be circulated when it becomes available.

***GWSF Regeneration Conference, Friday 21<sup>st</sup> June, Cadder Community Centre:*** There is now a cost for this conference.

***Letter from Shirley Anne Somerville, Cabinet Secretary for Social Security and Older People:*** Announcement that the new Scottish Government Best Start Grant Pregnancy and Baby Payment has already provided £2.7m in support to expectant mothers and new babies. The Association supported and promoted this grant and encouraged people to apply.

***Thank you:*** Thank you card from a client of Stables Studio for the flowers sent to her wishing her a full and speedy recovery.

### **15. APPLICATIONS FOR MEMBERSHIP**

The Board considered one membership application as outlined by the Corporate Services Manager.

The Board noted the eligibility of the application had been checked.

The Board noted and approved on the motion of George Kelly and seconded by Teresa McGowan for the member to be added to the Share Membership Register and that the Share Certificates would be issued.

**16. USE OF SEAL**

Use of seal used on one occasion.

**17. ENTITLEMENTS, PAYMENT AND BENEFITS**

The Chief Executive and Regeneration Manager received a £30.00 amazon voucher for facilitating a workshop at the SHARE Conference.

***The Board noted and approved all items of de-minimus value.***

**18. NOTIFIABLE EVENTS**

Nothing to report

**19. SUBSIDIARY & SUB-COMMITTEE DECISIONS MADE BETWEEN 7<sup>TH</sup> FEBRUARY – 20<sup>TH</sup> MARCH 2019**

Chief Executive Officer presented the above report previously circulated with the agenda.

**Nursery Board Meeting – 7 February 2019**

Nursery Budget 2019/20 – approved

Approval granted to increase of fees for the 0-3 age group of

£185 Full time

£40 Daily

£25 ½ day

Board approved the undernoted pay increases

Nursery Manager – 2%

Senior Child Development Officer – 0.50p per hour

Child Development Officer/Modern Apprenticeships – NMW

£100 bonus in December 2019 to those staff who have been with the Business for a minimum of 6 months.

Board unanimously approved the Staff Team Structure for 2019/20 and the recruitment timetable to put this structure in place and to extend the Administrative Assistant post for a further year, ie 31<sup>st</sup> March 2020

Approval granted to write off £5,945.91 of former parent arrears.

Approval granted to work with Glasgow City Council to increase partnership hours (funded)

**Group Audit Sub Committee – 27<sup>th</sup> February 2019 at 2.00 pm**

Audit Needs Assessment 2019 – 2022 - approved

**Staffing Sub Committee – 27<sup>th</sup> February 2019 at 3.30 pm**

**Pay Award**

Approval granted to award staff a 2.5% pay award for one year only pending EVH's decision. Consultation with staff. No negotiation.

**Approval granted for the undernoted job descriptions**

- Advice Team Co-ordinator
- Welfare Rights Officer – P/T
- Senior Housing Officer
- Community Co-ordinator
- Corporate Services Assistant
- Participation and Funding Assistant

**Approval of Interview Timetables for the posts of**

Welfare Rights Officer P/T  
Senior Housing Officer (Internal)  
Participation Funding Assistant

**Policy Reviews**

Grievance - approved  
Recruitment and Selection – extension of policy review to next Staffing Sub  
Flexitime and Toil - approved

***The Board noted the subsidiary and sub-committee decisions made between 7<sup>th</sup> February 2019 – 20<sup>th</sup> March 2019.***

**20. HEALTH & SAFETY/HWL**

**Health & Safety:** No issues to raise.

**HWL:** The Corporate Services Manager informed the Board that the HWL Working Group were in line with the HWL Action Plan for December 2018 – December 2019.

**21. A.O.C.B**

None

**22. DATE OF NEXT MEETING**

Wednesday 24<sup>th</sup> April 2019 at 6.00 pm

There being no further business the meeting concluded at 8.10 pm

Signature:  
**Chair of Board of Management**

Date: