

CASSILTOUN HOUSING ASSOCIATION

MINUTE OF MEETING OF BOARD OF MANAGEMENT
HELD ON WEDNESDAY 27TH NOVEMBER 2024 AT 6.00 PM CASTLEMILK STABLES, 59
MACHRIE ROAD, GLASGOW

Present: Anne M Stuart MBE, Chairperson
Julie McNeil, Vice Chairperson (zoom) 6.10pm
Teresa McGowan (zoom)
Natalie Tobin
Gayle Fitzpatrick, (zoom) 6.35pm
Faye Mitchell (zoom)
Ryan Barclay (zoom)
Bridget Crossan (zoom)
Allana Hammell
Pamela Gibson

In Attendance: Clair Malpas Chief Executive Officer
Fiona McGowan Director of Operations
John Williams Head of Asset Management
Amanda Laing Finance Manager
Louise Donnachie Finance Officer
Rachael McMullen Community Development Assistant (part meeting)
Karen Graham Corporate Services Officer (Minutes)

1a. WELCOME, INTRODUCTIONS, SEDERUNT & APOLOGIES

The Chairperson welcomed everyone to the meeting. There was no fire drill planned and reminded Board Members of the evacuation procedures. Board members reminded to switch off mobile phones.

Apologies were received from Chris O'Brien, Jennifer Gilbert, Mark Tedford and Clare MacLean, Housing Manager.

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 11: Rent Options Consultation Report. *Item has been redacted as contains sensitive information.*

3a. MINUTE OF MEETING HELD ON 29TH OCTOBER 2024

The Chairperson asked all board members present at the meeting if that had received their board papers on time and if they had read and understood the papers.

All board members present confirmed that they had received their board papers on time and that they had read and understood the papers

The meeting of meeting held on 29th October 2024 were noted and approved on the motion of Allana Hammell and seconded by Faye Mitchell.

3b. MATTERS ARISING FROM MEETING HELD ON 29TH OCTOBER 2024

None

3c. ACTION LIST FROM MEETING HELD ON 29TH OCTOBER 2024

	Details	Person Responsible	Status
Actions from meeting held on 26th June 2024			
1.	Official opening of lights in the park. – Board of Management to be sent invitations	Communities Team	CEO intimated the date for the official opening of the lights in the park is 11th December however she is still awaiting office confirmation. CEO also intimated that it might be the case that not all of the lights would be switched on as they were awaiting cabling being finished.
Actions from meeting held on 25th September 2024			
2.	Refresher Assurance Statement Training to be organized for Board members	HCF	Complete
3.	Board approved for Faye Mitchell to join Cassiltoun Trust Board	HCF	Complete
Actions from meeting held on 29th October 2024			
4.	Attendance register to be updated	HCF	Complete
5.	Pamela Gibson – co-opted on the Board of Management. SHR portal to be updated and induction programme to be put in place	HCF	Complete
6.	Conflict of interest register to be updated Stables Heating project – Anna Stuart and Bridget Crossan registered an interest	HCF	Complete
7.	Amendment to Minute of 25 th Sept 24 – remove “immediately after AGM (7.30 pm) - typing error	HCF	Complete
8.	Traffic light report - remove from strategic objectives	CEO	Complete

	Develop EESSH2/Net Zero compliance plan (guidance pending) Cyber Essentials accreditation		
9.	Stables Heating Project Delegate authority to the Head of Asset Management to tender for a Gas / Gas Hybrid heating system for the stables building. Delegate Authority to the Head of Asset Management to appoint <i>Item has been redacted as contains sensitive information</i> as Design Team lead. Delegated authority register to be updated	HaM HaM HCF	Complete
10.	Legionella The Asset Manager will work closely with the Head of Asset Management to prioritise working through the backlog of recommendations and developing a comprehensive action plan for the Board of Management.	HaM	Jan 25
11.	Head of Asset Management will come back to the Board re a procurement plan for a Lift Management Contractor	HaM	Jan 25
12.	Head of Asset Management to prepare a report for the Board as to how we can address the ongoing issue around medical adaptations	HaM	Jan 25
13.	Court Actions - approved	HM	Complete
14.	Quarterly Return to the Commissioner to be submitted	CSO	Complete
15.	Bad Debt Policy – approved Policy Register to be updated Staff to be informed	HCF HM	Complete
16.	Policy register to be updated with regards to review date for Privacy notices	HCF	Complete
17.	<i>Item has been redacted as contains sensitive information.</i>	HCF	<i>Item has been redacted as contains sensitive information.</i>
18.	Application for membership Register to be updated Certificate etc to be posted to tenant	CSO	Complete
19.	Christmas Eve – agreed to close the office. Staff to use leave. Staff to be informed	HCF	Complete
20.	SHARE Online training portal – HCF to email board members to ascertain if they have registered	HCF	Complete

4. CHAIRPERSON'S REPORT

30/10/2024	Volunteered at Halloween Spooky Walk at Castlemilk Stables
31/10/2024	Attended meeting at Women's Library in Bridgeton on behalf of Castlemilk Lived Experience Group (CLEG).
01/11/2024	Attended the Board of Management Business Planning Day at the Radisson Blu – this was a fantastic day and great that so many of our new board members attended.
06/11/2024	Sat on the interview panel for the Welfare Rights Officer post
08/11/2024	Attended the CIH Housing Awards as CLEG were shortlisted for an award however we didn't win.
12/11/2024	CLEG meeting – discussed what we would put in on our submission to the Human Rights Court in Geneva. We are hoping to send 4 representatives there. The four CEO's have been approached about funding for the group. So far Ardenglen Housing Association have been meeting the costs involved.
13/11/2024	10.00am Scottish Human Rights Commission meeting. I was unable to get on due to technical issues however I have the slides and can pass them on if anyone wishes to see these. 12.15pm Mike Jarvis omission workshop – this was about zero omissions and was a bit technical but I understood some of it.
14/11/2024	Community Council meeting – this was all about costs for different projects.
15/11/2024	Met with Clair Malpas and Bridget Crossan for Bridget's induction
18/11/2024	Met with Clair Malpas to carry out her 6 month review.
19/11/2024	Factoring training with SHARE – The training was good and I learned a lot but had to leave early. <i>Item has been redacted as contains sensitive information.</i>
20/11/2024	Mike Jarvis workshop

The Board noted the contents of the Chairperson's Report.

5. CEO 6 MONTH REVIEW

Chairperson advised she met with the CEO on 18th November. Chairperson then went over the 6 month review that was previously issued with the papers and confirmed that all targets were clear and linked to the strategic and operational objectives. Performance is above what is expected and she has demonstrated again she is able to react to emerging issues and re-prioritise work.

The feedback form the staff team in the recent succession planning exercise was also a reflection of Clair's strengths as a leader.

Chairperson also commented that she appreciated the bi-monthly reports and the links to wider reading. Board agenda's and meetings are structured well with good reports and enough time for discussion within the time allotted.

Chairperson commented that CEO also listens to questions and takes feedback. She does not need any help at the moment and is able to delegate to other SLT members if needed and can work flexibly.

Over the next six months the CEO will Continue to work on objectives – park lighting project, 365 migration and factoring are likely to be the most time consuming.

The Board noted the CEO 6 month review.

6. REGENERATION COMMUNITY DEVELOPMENT REPORT

Rachael McMullen, Community Development Assistant provided the regeneration and community development update by way of Powerpoint presentation. She advised as follows:-

- The writing group - Created new booklet called 'Capturing Castlemilk' and Took part in oral history project alongside Mhor Collective and gathered short stories about moving to and moving away from Castlemilk.
- Community art – 249 participants across 55 sessions. They created a summer exhibition outside Stables kitchen for everyone in the summer projects to enjoy. There were 320 participants across 26 sessions at Castlemilk Community Centre with Nemo Arts where they learned canvas painting skills as well as providing a place for people to socialize.
- Youth Advisory Panel - 9 new members joined since September taking our YAP membership to 25 and they have been involved in Swap Shops, Pumpkin Festival (planning, delivery and feedback), Festive Fun planning
- Castlemilk Park – 8 new volunteers have been recruited. There have been 1,259 volunteer hours from April to October 2024.
 - Castlemilk Explorers - 12 individual visits and 36 hours
 - Events support - 79 individual visits and 312 hours
 - Woodland maintenance sessions - 345 individual visits and 862 hours
 - Training- 8 individual visits and 37 hours
 - Health Walks- 11 individual visits and 12 hours
- Various events during the summer at the Stables.
- Halloween events were very successful and more than 2000 people attended the spooky walk.
- Staff updates – welcome to Katrina Hamer, Sessional Worker, Ciara Vernon, Community Woodland Assistant and Megan Edwards, Community Food Worker.
- Funding Update:
 - Successful application for £4,000 to employ a part time Community Woodland Assistant to support with woodland maintenance
 - Submitted application for £10,300 to run Conversation Café, Thursday Feed, Creative Writing and sessional costs
 - Submitted application for £983 for garden project focusing on food waste and recycling
 - Unsuccessful application for £10,000 for continuation of Stables Studio artist led sessions
 - Unsuccessful application for £5,000 to employ a part time Community Woodland Assistant to support with woodland maintenance

- Unsuccessful application for £10,000 for continuation of Stables Studio artist led sessions

The Board thanked the Community team for their hard work.

7. MANAGEMENT ACCOUNTS – SEPTEMBER 2024

Amanda Laing, Finance Manager presented the Management Accounts to September 2024 that were previously circulated with the papers.

The budget for the quarter ended September 2024 projected a deficit of around £80k. Based on the results to date the actual surplus is sitting at around £66k, therefore there is an overall favourable variance of around £146k for the quarter.

Main variances to date are as follows:

- Higher Grants £126k
- Higher void costs (£15k)
- Higher interest receivable £40k
- Lower repair costs £54k
- Lower staff overheads £47k
- Higher other overheads (£106k)

Grant Income is higher than budgeted for wider role activities with funding being secured after the budget was set. Wider Role funding has been allocated against project costs £87k and salary costs £39k in the period.

Void loss is higher than anticipated as the deterioration in condition of properties handed back is contributing to an increase in the turnaround time. An adjustment has also been included retrospectively for void loss (around £9.5k) that had been accruing as a result of a tenant passing away who occupied supported accommodation with complex tenancy matters to be dealt with.

The Association is still benefiting from being able to invest any excess funds taking advantage of higher than usual deposit rates.

Repairs and Maintenance expenditure is under budget in total by around £54k. Estate Maintenance spend is under budget for the period and is offsetting an overspend in Reactive Repairs and Cyclical Maintenance. The Estate Maintenance budget includes approx. £375k for estate works which have not yet commenced so the underspend here relates to phasing of expenditure. Reactive maintenance costs include accruals to end of September of £46k reflecting invoicing delays. The overspend in reactive maintenance is split between routine repairs (35%) and voids (65%), the Head of Asset Management has prepared a separate paper covering this issue in particular the need for additional budget for void costs.

Overheads at the end of June are around 8.3% over budget dropping slightly since last quarter with several under and overspends offsetting each other. This mainly reflects phasing of expenditure.

Salaries and pension costs are under budget for the quarter by £46k, this mainly reflects savings due to time taken to recruit and fill vacant posts and savings in Strathclyde Pension Fund employers contributions falling from 31% to 6.5%.

The overspend in computer consumables and software £4k has been caused mainly by phasing of expenditure and is expected to remain within budget over the year.

Insurance expenditure is showing as over budget £7k. This is not a true reflection as an amount of nearly £15k needs to be reallocated to factoring costs for buildings insurance. This will result in a saving against insurance as some elements of the renewal are charged against different budgets.

The overspend in regeneration and wider role activities £86k is covered by additional grants received for that purpose as already mentioned above.

Total net assets now stated at around £10m.

Capital spend in the period of around £58k comprises component replacements of boilers £44k and kitchens £6k, as well as laptops £2k and a new photocopier £4k.

Rent Arrears are higher than budget. A concentrated effort continues to be made to bring arrears back to a more acceptable level.

The cash position of the Association remains healthy with overall cash just short of £5m.

We currently have a pension deficit in the Balance Sheet. Updates to the valuations are accounted for as part of the year end process when the valuation information becomes available. No entries have been made to account for this adjustment at this point.

No issues with loan covenant compliance.

Gross rent arrears are noted at around 4.7% with voids stated at 0.52%.

There are no issues for the Association currently regarding cash resources or liquidity.

Cash balances at £5m are more favourable than budgeted.

Item has been redacted as contains sensitive information.

To conclude the Finance Manager advised that the budget for 24/25 indicated a surplus for the year of £56k. While some variances are due to phasing of expenditure, at this point it looks as though overspends can be offset by savings in other areas containing expenditure within the overall budget. There are no material concerns at this point and the Association remains on target to achieve a surplus for 24/25 and continue to achieve loan covenant compliance.

Allana Hammell enquired about the estate maintenance being under budget would there be potential for us to be overspent instead. CEO advised that the estate maintenance budget hasn't been spent yet as it was held back awaiting the factoring review in case money had to be spent on the lanes etc.

Finance Manager advised that she noticed a couple of typing mistakes after the papers had been issued. These were:- second page of narrative, second paragraph "benefiting" has been spelt wrong. In forth paragraphs it states "overheads at the end of June", this should read "overheads at the end of September". The Board approved for the Finance Manager to make these changes.

After discussion the Board unanimously approved the Management Accounts to September 2024.

8. VOID SPEND ANALYSIS – 2024/2025

John Williams, Head of Asset Management went over his report that was previously circulated with the papers.

He advised that the void property budget for the 2024/2025 year was initially set based on the operating environment and expenditure patterns of previous years.

The longstanding reliance on a single contractor to manage the process has also resulted in persisted challenges, including delays and poor quality of works. The rates are also higher than those observed in current market comparisons which are contributors to the increased costs.

The Associations expenditure for void remedial works has been £120,000 for the year to date (April to October) against a budget for the full 24/25 financial year of £100,000. The spend is broken down into the following key areas:

Item has been redacted as contains sensitive information.

The Head of Asset Management advised he is looking to introduce competition and more flexibly for managing voids by inviting contractors to be assessed for inclusion to our framework under the void lot. The intention would be to introduce new contractors which we would trial over January, February and March 2025. The intention would be to reduce the average spend on the voids within this time frame and to determine if there have been improvements in the quality of works.

The Association has managed 43 void properties from April 2024 – October 2024 with the average repair expenditure sitting as £2,800 per property (£120,000 spent to-date divided by 43). Since July 2024 we can see improvements in the trends of void management particularly surrounding the re-let times. This has been supported by the technical team carrying out a process mapping exercise in August 2024.

Taking the above figures as a base to average out the remainder of the year in terms of spend and actual void properties the undernoted projections can be made:

- 30 voids (forecast) to be managed between November and March 2025, taking the total projection to 73 void properties for the financial year. If we multiply the two averages (spend and voids), this projects an additional spend of £84,000. (30 x £2,800 = £84,000)

Head of Asset Management advised that without additional funding, properties are likely to remain vacant for longer periods due to delays in necessary repairs and maintenance. This can lead to loss of rental income and increased costs of maintaining unoccupied properties

Insufficient budget allocation could result in further deterioration of the property, increasing future repair costs and potentially reduce the overall value of our asset base.

Delays in effective void management can lead to tenant dissatisfaction resulting in even greater tenancy turnover rates. This can lead to reputational damage and wider tenancy sustainment across our properties.

Anna Stuart MBE enquired if any insurance claims had been made and Head of Asset Management advised that there hadn't been any claims made.

Allana Hammell asked if Covid had an impact on this and Head of Asset Management advised that it added to it along with other things such as void management, contractors etc.

Faye Mitchell commented that if we don't increase the budget it would present bigger longer term void losses.

Allana Hammell asked if we would be going out to procure new contractors and Head of Asset Management advised that procurement would be covered under agenda item 9.

After discussion the Board of Management agreed unanimously for the void budget to be increased from £100,000 to £200,000. It was agreed that the Board would receive a detailed breakdown of void expenditure for the year at the next meeting.

8. PROCUREMENT ACTIVITY & CASSILTOUN FRAMEWORKS

Head of Asset Management went over his report that was previously circulated with the papers.

He advised that to ensure the accuracy and comprehensiveness of our Asset Management Strategy, it is essential to engage a consultant to conduct detailed stock condition surveys as this will provide expert insights and data necessary for informed decision making and long-term planning.

To maintain the safety, reliability and efficiency of our buildings lift system, it is crucial to engage a specialised lift maintenance contractor, ensuring expert oversight and regular servicing to prevent malfunctions and extend the lifespan of our asset.

To ensure the safety and compliance of our buildings fire protection systems, it is essential to engage a specialised smoke vent contractor to provide expert maintenance and regular inspections to guarantee optimal performance and adherence to safety regulations.

To ensure the continued effectiveness and compliance of our maintenance operations, it is necessary to review the Cassiltoun maintenance frameworks which have been in place and will be operational until March 2027.

Gayle Fitzpatrick enquired if the Head of Asset Management would revert back to the Board with who had been appointed. Head of Asset Management advised that a contractor report would be brought to the Board for their information.

The board approved the following on the motion of Faye Mitchell and was seconded by Gayle Fitzpatrick:-

- ***That the Board of Management approve the procurement plans related to Stock Condition and Life Cycle Costings Consultant.***
- ***That the Board of Management delegate authority to the Head of Asset Management to appoint a lift maintenance Contractor, following the quick quote exercise.***
- ***That the Board of Management delegate authority to the Head of Asset Management to appoint a Smoke Vent Maintenance contractor, following the quick quote exercise***
- ***That the Board of Management delegate authority to the Head of Asset Management to administer the Cassiltoun Planned and Reactive Maintenance Frameworks.***

10a. FACTORING ACTION PLAN - UPDATE

The Chief Executive Officer advised that a review of the factoring service had been carried out *Item has been redacted as contains sensitive information*. The Chief Executive Officer went over the action plan that was previously circulated with the papers and advised that a lot of the actions were now complete. She advised that we are midway through looking at the Statement of Service which will be covered under agenda item 10b. Our policies and procedures will be reviewed after Christmas.

With regards to insurers – the Chief Executive officer will speak to the Insurers regarding clarification of lampposts etc. All other items are to be actioned or are work in progress and the Chief Executive Officer will update in due course.

The Chief Executive Officer carried out a benchmarking review and the results were:-

- Cassiltoun's management charge is at the lower end of the benchmark rate
- Other organisations charge for other admin costs
- Many organisations do not have an owners' forum
- Numbers of factored owners vary across the sector
- From this (and wider review) responsibility for factoring sits within and across different teams: finance, maintenance, housing services and dedicated teams.
- This depends on the requirements of each organisation

Natalie Tobin asked what the + £30 is for. Chief Executive advised this is in relation to admin costs.

Natalie Tobin also enquired if the Association would consider introducing a float. Director of Operations advised that it had been looked at however our current system did not support this and as our new owner turnover is very low decided not to introduce a float.

Anna Stuart MBE queried the number of factored properties. Director of Operations advised that when imputing the factored properties into the Factored Properties Portal you have to put each individual flat within the building that is being factored. Therefore, the amount of factored properties is not 404 – we have 147.

The Board unanimously approved the following:-

- ***Owners' meetings:***
 - ***To be set up in January – March 2025 to discuss updated Written Statement of Service (WSS)***
 - ***Owners to be invited to owners annual meeting every summer and encouraged to join Board/Community Panel***
 - ***Other owners' meetings to be set up if there is investment work or if requested***
- ***Management charge should be increased by more than inflation from 25/26 for a period of 3 years to bring it into line with other organisations (in the region of £150 - £200) – increase of 12% per annum to be applied.***
- ***Additional admin costs should be charged to include:***
 - ***Admin for house sale £50***
 - ***Actual cost of Notice of Potential liability plus £30***
 - ***Actual cost of removal of NPL plus £30***
- ***Factoring to remain within the technical team and no changes to staffing required at the present time.***

10b. DRAFT FACTORING STATEMENT OF SERVICES

Director of Operations advised that she had been working with the Association's solicitors in relation to the Written Statement of Services and is hopeful that she will get it finalised this week and sent over to the Solicitors for review. We will be having a Written Statement of Service and a bespoke schedule which she is currently working on. Hoping to consult at the end of December and the solicitors have clarified that we do not need to consult on what we are charging just the statement of service and apportionments. Once the statement of service has been concluded it will be brought back to the Board. The reason the policies and procedures are not being reviewed just now is we are waiting to make sure these are aligned with our statement of services.

The Board unanimously approved the Written Statement of Services.

11. RENT OPTIONS CONSULTATION REPORT

Chief Executive Officer went over the Rent Options Report that was circulated with the papers. She advised that in order to meet our Regulatory requirements and to ensure that tenants are consulted and involved with decisions that relate to the immediate and long term business plan, the Association will be undertaking a consultation exercise with tenants on the proposed rent increase effective from 1 April 2025.

Like previous years we have contracted with *Item has been redacted as contains sensitive information* to deliver the consultation as this provides a good rate of return, provides analysis and is independent.

The Rent Setting Policy, approved in November 2021 (and currently under review) refers to ensuring rent setting is in accordance with long term projections as well as medium term forecasts.

'The Association sets its annual rental increase relative to inflation in accordance with its medium and long-term budgetary forecasts as detailed within the five-yearly and thirty-yearly projections contained within the Group Business Plan.'

For the last few years, the Association has been faced with many external financial challenges and this year is no different. Although headline inflation is lower than this time last year, our own internal inflationary costs are likely to be higher than headline inflation and our 30-year business plan was based on the assumed rate of 2% inflation across our costs.

Food and fuel costs are also increasing faster than the headline rate which impacts our tenants.

The recent UK budget has also introduced increased costs notably the increase in living wage and Employers National Insurance which will impact not only our own salaries but those of our suppliers (potentially leading to higher costs). There have also been other cutbacks for example the reduction and/or removal of grants for adaptations which will require careful consideration of where the Association focusses its resources

The 2025/26 year also sees the re-introduction of our investment programme as agreed with tenants in our rent consultation exercise two years ago.

It is accepted by the Scottish Housing Regulator that this continues to be a very challenging set of circumstances for all Housing Associations where rent increases need to be aligned with business need coupled with the requirement to ensure that rent remains affordable.

The Board should note that our 11 x Fair Rent properties do not take part in the rent increase consultation as their rent increase is determined through a separate process.

The main issues that the Board need to consider when making the decision is:

- Affordability of rent for tenants
- Comparative rent increases and rent levels
- Cost pressures on the Association
- Medium and long term impact on the Business Plan

The Association uses the SFHA/Housemark tool to look at proposed rent increases. Cassiltoun use the Associations average rent for property size and the living wage as an income measure for those of working age.

A rent of less than 25% of income is the ideal and is deemed affordable, a rent of 25-35% is still affordable but at higher levels is on the margins of affordability. Above 35% is unaffordable. Rents higher than 25% are highlighted in amber.

Property Size	4.3% uplift (CPI+2%)	5.3% uplift (CPI +3%)
2 apartment	£95.51	£96.42
	Rent as percentage of income %	
1 person	25.8	26.0
2 people (both FT)	12.9	13.0
2 people (1 FT 1 PT)	17.2	17.3
Single pensioner	23.4	23.6
Pensioner couple	17.2	17.3
3 apartment	£99.21	£100.16
	Rent as percentage of income %	
Single parent 2 children	16.7	16.9
Small family (2 children)	12.7	12.9
4 apartment	£109.35	£110.40
	Rent as percentage of income %	
Single parent 2 children	18.4	18.6
Small family (2 children)	14.0	14.2
5 apartment +	£121.96	£123.13
	Rent as percentage of income %	
Large family (3 children)	13.7	13.8

Looking at affordability levels, all of Cassiltoun's properties fall within what is deemed to be affordable. The 'least' affordable property is Cassiltoun's rent levels for a 2 apartment home (lived in by 1 person), although even at CPI plus 3% it is only fractionally over the 25% threshold.

The Association has 113 two apartment properties which is 10% of our stock.

The impact to average tenant rents is outlined below :-

24/25	Cassiltoun	4.30%	Increase	5.30%	Increase
2 apt	£91.57	£95.51	£3.94	£96.42	£4.85
3 apt	£95.12	£99.21	£4.09	£100.16	£5.04
4 apt	£104.84	£109.35	£4.51	£110.40	£5.56

5 apt+	£116.93	£121.96	£5.03	£123.13	£6.20
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With a 5.6% increase in April 2024 Cassiltoun was in the lower level of increases with 32 landlords in Glasgow implenting rent increases greater than Cassiltoun and 20 landlords implementing rent increases lower than Cassiltoun and 8 implimenting the same increase.

Rent increases in Glasgow ranged from 3.22% (Scottish Veterans) to 10% (Reidvale)

Comparisons on rent increases need to be considered in relation to the level of rents in the local area. The table, shown by the Director of Operations during her benchmarking presentation based on the ARC data at the September 2024 Board meeting provided the following information. It can be seen that Cassiltoun’s increase last year was lower (by as much as 1.9% in one case) than all of our local landlords, apart from North View.

RENT INCREASE						
	<u>Cassiltoun</u>	Scottish Average	Ardenglen	Craigdale	Northview	Wheatley Homes Glasgow
2023/24	5.6%	6.05%	6%	6.6%	4.6%	7.5%
2022/23	6.6%	5.14%	6%	6.5%	5%	3.9%
2021/22	3%	2.98%	3.9%	4.1%	4.2%	1.9%

Rent increases cannot be looked at in isolation to actual rent paid. The table below, again presented by the Director of Operations at the September Board meeting, shows rent comparisons from the SHR ARC information up to and including the year 2023-2024.

AVERAGE RENTS						
2023/24	<u>Cassiltoun</u>	Scottish Average	Ardenglen	Craigdale	Northview	Wheatley Homes Glasgow
2 apt	£86.71	£87.87	£79.98	£82.18	£84.18	£88.06
3 apt	£90.08	£90.29	£90.39	£87.70	£98.06	£94.57
4 apt	£99.28	£98.30	£99.86	£96.89	£108.42	£109.91
5 apt+	£110.73	£108.29	£113.93	£100.56	£121.40	£120.58
2022/23						
2 apt	£81.37	£83.51	£75.45	£75.58	£79.37	£85.22
3 apt	£84.53	£86.29	£85.27	£80.09	£93.03	£91.28
4 apt	£93.20	£93.97	£94.20	£91.09	£103.20	£105.90
5 apt+	£108.24	£103.74	£107.48	£94.56	£115.72	£115.99
2021/22						
2 apt	£78.16	£81.35	£72.62	£72.60	£75.53	£83.96
3 apt	£81.44	£84.21	£82.07	£79.94	£89.91	£89.63
4 apt	£92.24	£91.51	£90.67	£87.50	£100.08	£103.98
5 apt+	£102.32	£100.75	£103.44	£90.84	£111.80	£113.92

The table below takes the information from the ARC and uses this to calculate the average rent figures for the local organisation for the current financial year. As shown Cassiltoun's average rent figure benchmarks favourable across all property types and is not the highest in the area, with Wheatley having the highest average rent across all property types. As mentioned earlier in the report the Board may need to consider rents on 2apt properties in the future.

24/25	Cassiltoun	Ardenglen	Craigdale	Northview	Wheatley Homes
2 apt	£91.57	£84.78	£87.60	£88.05	£94.66
3 apt	£95.12	£95.81	£93.49	£102.57	£101.66
4 apt	£104.84	£105.85	£103.28	£113.41	£118.15
5 apt+	£116.93	£120.77	£107.20	£126.98	£129.62

SFHA and GWSF survey the sector in the period leading up to the rent increase consultation. This is to give an indication as to the likely levels that Associations are going to consult on. Across the sector the proposed increases range from 1.7% to 7-10%.

Board members and Senior staff need to look at every line in the budget and item of expenditure and ask two questions:

1. Why are we incurring this cost? Is it necessary for the business
2. Are we getting best value (are costs minimised and outputs maximised)

There are still increased cost pressures in the business. Insurance costs are unlikely to reduce significantly, Void costs are higher than anticipated/budgeted for and the change to living wage and more significantly employer National Insurance contributions in the UK budget have a significant impact on the business (estimated at 2.5% of salary costs and a reoccurring). Added to this for next year is the potential contribution to the new heating system in the building, (although this is a one-year cost).

Our current Business Plan has been developed with the assumption of a rent increase of CPI plus 2% for the period from April 2025 – March 2028.

This is based on the assumption that other costs in the business rise by no more than inflation (assumption of 2%).

If costs in some areas increase by more than 2% then additional income will be required to offset these costs or savings made in other areas to offset the increase. For example, VOID costs increased by 100% in 2024/2025 from the budgeted figure to the forecast figure. In the business plan it was assumed that VOID costs for 25/26 would increase to no more than £102,000. In the draft budget we have set a figure of £150,000.

Item has been redacted as contains sensitive information.

The impact of a 4.3% and 5.3% increase to the Association's income is below

Rent Increase	Association Income
Business Plan 25/26	£5,953,601
Rental income - Budget based on 4.3%	£5,970,706

Budget based on 5.3%	£6,027, 936
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Our consultation with tenants will take place in December 2024. Following the formal consultation exercise with tenants the Board will receive a report on the outcome at its meeting in January 2025 and be asked to make its decision. This will allow sufficient time for rent increases to be communicated to tenants and relevant benefit authorities.

After discussion the Board unanimously approved:

- ***That the rental charge for Item has been redacted as contains sensitive information to reflect the costs of repairs and maintenance for this property.***
- ***That all non-Fair Rent tenants will be consulted on one option only***
- ***Consult with all non-Fair Rent tenants on CPI plus 3% (5.3%) with £50k of this ringfenced for the adaptations budget if no funding is available for 25/26.***

12. ARC VALIDATION REPORT

Head of Asset Management went over the part year review report prepared by *Item has been redacted as contains sensitive information* covering the period Q2 2024/25.

The report stated the staff's knowledge of reporting requirements from Homemaster has improved since the last validation exercise with progress being made in a number of areas. However, further assistance is being sought from HomeMaster to clarify the situation with some specific issues e.g. the tagging of properties to ensure accurate exclusions from reporting across all indicators.

Item has been redacted as contains sensitive information looked at 15 indicators and all were validated, partially validated or in line to be validated.

Head of Asset Management drew the Board's attention to 2.2 of the report which references gas safety. The report advised that there appears to be an issue with Homemaster in relation to showing information correctly. However, *Item has been redacted as contains sensitive information* has partially validated the gas safety indicator as the team have been using the Excel document as a back up until they were 100% confident with Homemaster and *Item has been redacted as contains sensitive information* has fully validated this.

In relation to Homemaster we have had an audit day to outline and smooth out any issues and to get an idea of what training will be required for staff.

Anna Stuart MBE asked if Head of Asset Management was aware of any other Association's using Homemaster having issues with the gas servicing aspect of the system? Head of Asset Management advised that it would depend on how closely they are looking at it. We are having issues as it is our first year using Homemaster and there are currently no anniversaries within the system. Going forward this should rectify itself once the first gas service is inputted into the system. Chief Executive Officer advised that *Item has been redacted as contains sensitive information* work with a range of Associations so will be picking up issues and feeding these back to Homemaster also.

The Board noted the contents of the report from Item has been redacted as contains sensitive information.

13. VALUATION REPORTS - *Item has been redacted as contains sensitive information*

Chief Executive Officer advised that as part of our loan agreements with our lenders we are obliged to get valuations carried out on our stock. *Item has been redacted as contains sensitive information* have provided valuations for *Item has been redacted as contains sensitive information* wished to use another company which is not back yet.

We agreed with the lenders this year to have them all done at the one time and asked for re-instatement valuations to be done as part of this exercise which will help with our insurance renewal for accurate costs.

13a. *Item has been redacted as contains sensitive information.*

Chief Executive Officer went over the executive summary figures:

96 properties
 Existing Use Value - £5.8m
 Market value subject to tenants - £9.6m
 Market value subject to vacant possession - £12.8m

The Board unanimously approved the valuation report from Item has been redacted as contains sensitive information.

13b. BUCHANAN LODGE

Chief Executive Officer went over the valuation received from *Item has been redacted as contains sensitive information* in relation to Buchanan Lodge. She advised that this had been valued at *Item has been redacted as contains sensitive information*. Again, this will be used when looking at our insurance renewal.

The Board unanimously approved the valuation report from Item has been redacted as contains sensitive information for Buchanan Lodge.

14. POLICIES

14a – Donations Policy – ***approved unanimously.***

14b – Notifiable Events – ***approved unanimously.***

14c – Data Protection Impact Assessment Procedure – ***approved unanimously.***

14d – Medical Adaptations Policy – ***approved unanimously to defer until the end of March 2025.***

14e – Defects Policy – ***approved unanimously.***

14f – Board and Staff Expenses – ***approved unanimously to defer until the end of March 2025.***

14g – Value for Money Strategy - **approved unanimously to defer until the end of March 2025.**

14h – Rent Setting Policy – **approved unanimously to defer until the end of March 2025.**

15. CORRESPONDENCE

Chief Executive Officer went over the correspondence received:-

- An email from Richard Sullivan indicating that he would wish to re-join the Board of Management. **This was approved unanimously by the Board.**
- Emails from Board members Mark Tedford and Bridget Crossan thanking the staff and Board for the successful Board Planning Session held on 1st November 2024 at the Radisson Blu.
- Email from EVH regarding the Governing Body Event on 13th December. Corporate Services Officer to circulate.
- Letter from *Item has been redacted as contains sensitive information.*
- GWSF November update – this has previously been circulated by the Corporate Services Officer to the Board members.
- *Item has been redacted as contains sensitive information.*
- *Item has been redacted as contains sensitive information.*

16. APPLICATIONS FOR MEMBERSHIP

The Board considered two membership applications as outlined by the Corporate Services Officer.

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

The Board noted and unanimously approved for the members to be added to the Share Membership Register and that the Share Certificate would be issued.

17. USE OF SEAL

Corporate Services Officer advised that the Association's seal has been used on one occasion.

18. ENTITLEMENT, BENEFIT AND PAYMENTS

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

After discussion, the Board approved the contents of the Entitlement, Benefit and Payments report.

19. NOTIFIABLE EVENTS

Item has been redacted as contains sensitive information.

20. **SUBSIDIARY AND SUB COMMITTEE DECISIONS MADE BETWEEN 30TH OCTOBER 2024 AND 27TH NOVEMBER 2024**

Group Audit and Risk Sub Committee – 11th October 2024

Gayle Fitzpatrick elected as Chairperson of the Audit and Risk Sub Committee and subsequently took up the position of Treasurer

Internal Audit Budgetary and Financial Reporting Plan – approved

Internal Audit Electrical Safety Plan – approved

Minute of meeting held on 20th June 2024 – approved

Group Risk Register – noted and approved the updates to the Group Risk Register

Group Risk Policy – approved

Timing of meetings – to be moved to a Monday evening at 6pm

Staffing Sub Committee Meeting – 31 October 2024

Election of Chairperson – Faye Mitchell

Minute of meeting on 13/6/2024 – approved

Item has been redacted as contains sensitive information.

Corporate/HR Report – approved

Code of Conduct for Staff - approved

Shared Parental Leave Policy – approved

Corporate Health Plan – agreed for more information to be sought

Recruitment of Welfare Rights Officer and Temp Customer Services Assistant

The Board noted and approved the decisions made between 29th October and 27th November 2024.

21. **AOCB**

21a Standing Orders and Delegated Authority – Composition of Group Audit and Risk Sub Committee – Chief Executive Officer advised that originally the Audit and Risk Sub Committee had a limit of how many people could be on this committee. ***This has been changed to no limit to accommodate anyone wishing to join this committee. This was unanimously approved by the Board.***

21b Board Training on Assurance Statement – 22/01/2025 @ 6pm – Chief Executive Officer advised that there is a consultant coming along to provide the training and encouraged as many board members as possible to attend.

Item has been redacted as contains sensitive information.

Christmas Lunch – Corporate Services Officer reminded that this was taking place on Wednesday 4th December 2024 at 4.30pm within the Croft.

Anna Stuart MBE wished all of the Board a Merry Christmas and Happy New Year and thanked them for their work on the Board this far.

22. DATE AND TIME OF NEXT MEETING

Wednesday 29th January 2024 at 6pm

There being no further business the meeting concluded at 7.50pm

Signature:
Chair of Board of Management

Date: