

**CASSILTOUN HOUSING ASSOCIATION**

**MINUTE OF MEETING OF BOARD OF MANAGEMENT**  
**HELD ON WEDNESDAY 24<sup>TH</sup> APRIL 2024 AT 6.00 PM IN CASTLEMILK STABLES, 59**  
**MACHRIE ROAD/ZOOM**

**Present:** Anna Stuart Faye Mitchell (Zoom)  
Gayle Fitzpatrick (Zoom) Chris O'Brien (Zoom)  
Ryan Davidson Co-opted (Zoom)  
Allana Hammell Co-opted (Zoom)

**In Attendance:** John Williams Asset Manager  
Clare MacLean Housing Manager  
Paula Brownlie Head of Corporate, HR & Finance  
Amanda Laing Finance Manager  
David Ampofo FMD Financial Services Ltd (Part meeting)  
Gordon Birrell Pension Adviser (Part meeting)

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

The Chairperson welcomed everyone to the meeting. There is no fire drill tonight and reminded Board Members of the evacuation procedures.

Apologies were received from Teresa McGowan, Jennifer McInnes, Julie McNeil, Barbara Dusik and Harry Mills.

The Chief Executive Officer had also passed her apologies.

The Chairperson sought the Board's approval to bring Agenda Items 5 and 6 forward on the agenda. These items will be taken immediately after Agenda Item 2.

**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 5 – redacted as contains sensitive information.**

**5. redacted as contains sensitive information**

**6. 30 YEAR FINANCIAL PLAN (INCLUSIVE OF FIVE-YEAR FINANCIAL PLAN)**

*redacted as contains sensitive information* presented the 30 Year Financial Plan (inclusive of Five-Year Financial Plan) previously circulated with the agenda. A summary was provided via a powerpoint presentation.

*redacted as contains sensitive information* reminded the Board that as part of the financial planning and projections, the Association needs to demonstrate:-

Compliance with Regulatory Standards of Governance & Financial Management (primarily standards 3 and 4)

Viability based on reasonable assumptions

Covenant compliance & ability to maintain loan repayments

Affordability

Efficiency (e.g zero based budgeting) & value for money

Consider 'what if' scenarios (sensitivity testing)

Headroom to manage 'financial shocks' to cash & covenants

Satisfy SHR Regulation Plan requirements & consider key risks in the RSL sector

### **Consideration of the current operating environment**

Global economic/political climate, post Brexit, post Covid 19, ongoing conflicts (Ukraine & Middle east, etc)

Rising repair costs

Higher inflationary environment (dissipating but costs higher)

Impact of below CPI rent rise in 23/24

UK, Scottish and Local Government plans and priorities

SHQS, EESSH 2 & NCZ

Higher interest rates at present

Expectation of service level improvements

Pension deficits on defined benefit schemes

Increased interest from lenders and SHR

### **Main assumptions - Base case model**

- Year 1 is financial year 2024/25
- Inflation reduces to 2% in year 2 for the long term (last year we had inflation or inflation plus 1%)
- Rent increases at CPI+2% for next 3 years then CPI only
- Voids & bad debts average 1.75% (last 3 years 1.45%). Allana Hammell enquired as to what is included in bad debts. David clarified that bad debts are rent arrears, rent loss is in relation to voids.
- Reactive costs commence at £665 per unit (Peer average £731)
- Cyclical costs average £748 per unit
- Major repairs at £41.2k per unit – *with manual smoothing*
- Real cost increases of 0.5% on maintenance costs for 30 years
- Staffing costs based on current view of need over plan period
- Continued community development activity via subsidiaries
- Pension costs at 6.5% (Strathclyde Pension employer contribution has decreased), 20.5% & 10% (the first changed from 31%)
- Real cost increases at 0.5% on staff & overhead costs to year 10
- No further new build activity
- Other fixed assets average £16.7k pa at current values
- Rent arrears: 4.10% Yr1, 4.75% Yr2, 4.50% Yr3 & 4.0% Yr4 onwards
- Loan rates at 5.24% year 1, then 4.25% year 2 and then 4% year 3 onwards for long term – all pre margin

- Other debtors and creditors based on estimate only
- Year 1 based on final budget 24/25 amended for post budget approval known changes.
- Overheads assumes savings from year 2 for IT and savings in Insurance costs from year 5.

### **Projections – Base Case Model Outturn**

Cash balances show no material concerns at this point, however more cash going out than in for 7 of first 10 years

Projected cash at year 5 of £1.5m (year 30 balance at £20.5m (£1.9m drop since May 23 version) – Energy & Insurance & Planned maintenance

Cash balances exceeds loans from year 14

SOCI - Surpluses projected annually

SOFP - Net Assets increase from £9.99m to £12.5m by year 5 and £33.6m by year 30

Loan covenants - no issues on base case

Financial indicators (KPI) – no material concerns

### **Main Considerations/Issues from Base Case Model**

3 year above inflation rent increases - clawback lost ground of 23/24 (6% increase against 11.1% CPI ) & higher costs

Planned maintenance – rising costs & timing

Control of day to day running costs (Energy & Insurance)

Control of arrears, voids & bad debts

Unknown net impact of EESSH 2 & NCZ

Impact of combination of adverse circumstances

Treasury strategy - fixed rate debt relatively low however current cost of fixing rates is relatively higher

### **Sensitivities – 30 YR Cash & Covenant impact table**

*redacted as contains sensitive information* outlined the 30 year cash and covenant impact table

***After discussion, the Board approved the 30 Year financial plan.***

### **Five Year Financial Plan**

*redacted as contains sensitive information* presented the Five-Year Financial Plan (FYFP) which is the first five years of the 30 Year Financial Plan that had been previously presented to the Board.

***After discussion, the Board approved the FYFP.*** *redacted as contains sensitive information* will upload to the SHR Website.

6.45 pm *redacted as contains sensitive information* left the meeting.

## **3a. MINUTE OF MEETING HELD ON 27<sup>TH</sup> MARCH 2024**

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

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

***The minute of meeting held on 27<sup>th</sup> March 2024 where noted and approved on the motion of Faye Mitchell and seconded by Gayle Fitzpatrick.***

**3b. MATTERS ARISING FROM MEETING HELD ON 27<sup>th</sup> MARCH 2024**

None.

**3c. ACTION LIST FROM MEETING HELD ON 27<sup>TH</sup> MARCH 2024**

	Details	Person Responsible	Status
<b>Actions from meeting held on 29<sup>th</sup> March 2023</b>			
1.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
2.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
3.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
<b>Actions from meeting held on 31<sup>st</sup> January 2024</b>			
4.	Board approved the Reactive Maintenance Framework as detailed in Appendix 1 of the report. The Board also agreed that the work is not placed with any contractor until due diligence checks have been undertaken and signed off by the Director of Operations.	DoO	<b>Now concluded in relation to reactive maintenance.</b> <i>redacted as contains sensitive information</i> <b>Due diligence checks will be carried out with any further contractors prior to appointment.</b>
<b>Actions from meeting held on 28<sup>th</sup> February 2024</b>			
5.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
6.	Fraud, Bribery and Corruption Policy – approved Policy register to be updated Chief Executive Officer to facilitate a training workshop on the policy for all board members.	HCHR&F	<b>Completed</b>  <i>redacted as contains sensitive information</i> <b>to carry out training on Monday 29<sup>th</sup> April 2024 at 6pm via zoom</b>
7.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
8.	The Association to ascertain in the Lord Provost is wanting to rearrange her visit to the Stables	CSO	<b>Completed</b> <b>Lord Provost has confirmed 17<sup>th</sup> April 2024 at 11am</b>

9.	Chief Executive Officer intimated that she would check the donation budget and report back to the next board meeting <i>redacted as contains sensitive information</i>	CEO	<i>redacted as contains sensitive information</i>
<b>Actions from meeting held on 27<sup>th</sup> March 2024</b>			
10.	Conflict of Interest register to be updated to reflect declared interest  <i>redacted as contains sensitive information</i>  <i>redacted as contains sensitive information</i>	HCHR&F	<b>Register updated.</b>
11.	Group Audit and Risk – Gayle Fitzpatrick interested in joining. HCHR&F to make contact with Gayle	HCHR&F	<b>Completed</b>
12.	Assurance Improvement Plan to be updated with items being completed	CEO	<b>Completed</b>
13.	<i>redacted as contains sensitive information</i>		<i>redacted as contains sensitive information</i>
14.	<i>redacted as contains sensitive information</i> Engagement Letters – Board approved and agreed to respectively sign off.	HCHR&F	<b>Completed</b>
15.	GWSF Regeneration Conference, 7th June 2024, Roystonhill Community Hub – <i>redacted as contains sensitive information</i> to attend on behalf of the Association	HCHR&F	<b>Completed</b>

#### 4. **CHAIRPERSON'S REPORT**

The Chairperson reported that she had attended the undernoted during the month of April 2024:-

**11<sup>th</sup> April 2024, Community Council Meeting:** No further news re the shopping centre. Spoke to Councillor Ballis re setting up the Friends of Castlemilk Braes cycle track. Youth Complex gave a presentation on the work of the Street

**15<sup>th</sup> April 2024:** Board Procurement Training with Laura Edwards, Development Consultant

**16<sup>th</sup> April 2024:** SFHA Governance Forum, Learning Centre Bridgeton: Manager of Netherholm Hall gave a presentation on both Centres. Spoke about the Halliday foundation which helps tenants moving into their homes.

**17<sup>th</sup> April 2024:** Lord Provost visited the Stables. The visit was hosted by John Williams and Anna Stuart MBE. She met the Writers Group and met three staff members who spoke about their career in housing. She wants to return to the Stables during the summer when we are hosting different community events.

**23<sup>rd</sup> April 2024:** Lived Experience Group met. Carole, Human Rights Consultant went through the various Human Rights Bills. Two staff members from SFHA attended as they wish to do a story on the work of the Group. Discussion re funding from participative Housing Associations took place and this will be discussed at the next CEO Forum meeting.

**24<sup>th</sup> April 2024:** Email received from John Summers, Scottish Government Director Equalities Inclusion and Human Rights wants to meet the Group

*redacted as contains sensitive information.*

**The Board noted the contents of the Chairperson’s report.**

**7. TRAFFIC LIGHT REPORT – REVIEW OF STRATEGIC AND OPERATIONAL OBJECTIVES 2023-24**

Asset Manager presented the above report previously circulated with the agenda.

As the Board will note, 14 operational objectives are complete.

2 are setting at amber ie

Meet all objectives set out in the annual KPI’s and SMART plans	Not all KPI’s achieved – must be a key focus for 24/25
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Continue with Action Plan to assess compliance against EESSH2	Some EPC’s still outstanding – Net zero action plan to be drawn up 24/25
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2 have not been completed, ie

Deliver a tenant conference to create new opportunities for engagement and feedback	Not met – due to staff changes. Deferred to 24/25 . The new manager will take this forward when she starts in May 2024.
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Gain Cyber Essentials accreditation	Deferred on the advice of IT partner until completion of 365 rollout
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***The Board noted and approved the Traffic Light update for 2023/24.***

**8a. CHA BUSINESS PLAN – UPDATE**

The Asset Manager gave the Board an update on the Association’s Business Plan.

As the Board are aware, we have been reviewing the Association’s Business Plan on an annual basis, however the plan is for 3 years.

The Chief Executive Officer has been providing annual updates on relevant areas. The Board have already approved the undernoted sections of the Business Plan:-

- SWOT
- PEST
- Operational Objectives
- Subsidiary Business Plans
- Risk Register
- Internal Audit Plan
- Community Development Strategy for 2023-2026

At the Board meeting tonight, the Board are being asked to approve our

- 30 Year Business Plan
- Housing/Advice Service Plan
- Technical Service Plan

The Board have still to approve

Revisions to the Business Plan relating to external benchmarking and KPIs

As the Board are aware, the SHR have produced New Business Planning Guidance which is out for consultation. The Association are still awaiting the final version and publication. If action is required, the Chief Executive Officer will report back to the Board and implement any changes to our Business Plan in accordance with the new guidance.

***After discussion, the Board noted and approved the recent updates to the Association’s Business Plan.***

**8b. HOUSING/ADVICE SERVICES PLAN AND TECHNICAL SERVICE PLAN**

The Asset Manager presented the above Service Plans for 2024/25 previously circulated with the agenda.

The Plans set out the resources and KPIs for 2024/25.

The Housing Manager informed the Board that Lisa Tomlinson has been successful in obtaining the post of Housing Officer. As a result, the Association has recently been recruiting for the post of Housing Assistant and this post has now been filled. The successful applicant will join the Association at the end of May 2024.

Faye Mitchell intimated that she welcomed the detailed content of both Service Plans and found them very easy to read and follow.

***After discussion, the Board noted and approved the Housing/Advice and Technical Service Plans.***

## 9. PROCUREMENT REPORT/STRATEGY

Housing Manager presented the above report previously circulated with the agenda.

As the Board are aware, where regulated procurements exceed £5m annually, the Association is required to prepare a procurement strategy in relation to the forthcoming financial year and must also prepare an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of that financial year.

For the last five years we have produced an annual Procurement Strategy and an annual Procurement Report, even though in the last three years our expenditure on 'regulated' procurements has not hit the £5m level.

In the financial year 2023/24, our expenditure on regulated procurements was significantly lower than the £5m threshold. In the coming year 2024/25, we again anticipate our regulated procurements being significantly lower than the £5m threshold. As a result, with our procurement being significantly lower than the £5m threshold, the Association is not required to produce a Procurement Report and Strategy.

***The Board noted and approved that the Association will not be submitting a Procurement Report and Strategy as our procurement is lower than the £5m threshold for 2023/24 and 2024/25.***

10. *redacted as contains sensitive information*

## 11. SHR REGULATORY FRAMEWORK AND OSCR UPDATES

The Housing Manager presented the SHR Regulatory Framework and OSCR Updates previously circulated with the agenda.

### **OSCR - Charities (Regulation and Administration) (Scotland) Act 2023**

**From 1<sup>st</sup> April 2024:** A charity's connection to Scotland Increased enquiry powers  
Removing charities that fail to submit accounts and to respond to OSCR

**From 1<sup>st</sup> October 2024:** Publicly searchable record of individuals who have been permanently disqualified

**Summer 2025:** Publication of charity annual reports and accounts: A schedule of charity trustees. Publication of trustee names. A record of charity mergers; and updates to the disqualification criteria for charity trustees

### **Scottish Housing Regulator Regulatory Framework**

As the Board are aware, the Scottish Housing Regulator (SHR) published its new Regulatory Framework and statutory guidance for social landlords. The new Framework went live on 1<sup>st</sup> April 2024. It sets out how SHR will regulate social landlords in Scotland. The SFHA produced a useful summary of the new Regulatory Framework which was circulated to the Board for their information. The key messages are in relation to:-

Tenant communication and engagement  
Group structures  
Equality & Human Rights



The Board as an employer  
 Stock condition  
 Cyber

As part of the Association's compliance against the Framework, our compliance framework will be updated to reflect the changes. The Board will ensure compliance against the framework at the scheduled workshops. Dates to be confirmed by the Chief Executive Officer.

The Board noted the updates provided above.

## **12. MANAGEMENT ACCOUNTS – MARCH 2024**

The Finance Manager presented the above report previously circulated with the agenda.

The Association prepares management accounts quarterly in order to monitor the financial position of the organisation. The estimated figures are extracted from the approved annual budget for the year and the actuals are based on the books of account to date. There has been a very tight timescale to produce these accounts and they are prepared as part of the Auditors visit which is taking place on Monday 29<sup>th</sup> April 2024.

The budget for the year to March 2024 projected a surplus of around £432k. Based on the results to date the actual surplus is sitting at around £312k, therefore there is an overall adverse variance of around £120k for the year. In December 2023, it did look that we would contain any overspend within the overall budget, however things have moved on since that date.

Main variances to date are as follows:

- Higher Amortised HAG £44k – gain in amortised HAG. Benefiting from the capital grant to build the stock
- Higher void costs (£9k) – to do with properties being in a worse condition and taking longer to turn around.
- Higher other income £122k – factoring, other sales and other income
- Higher interest receivable £95k – excess funds being on deposit
- Higher repair costs (£50k)
- Higher staff overheads (£7k)
- Higher other overheads (£252k)
- Higher loan interest (£64k)

The overspend in computer consumables and software £65k has been caused mainly by the implementation of Homemaster costing £59k which was not part of the original budget, this is due to contracted costs of existing software being payable for the same period. Additional costs will cease in the current year 2024/25.

The overspend in regeneration and wider role activities £74k is covered by additional grants received for that purpose as outlined in the report.

The cost of bad debts is overbudget for the year by £50k. This follows write off of around £40k in January and recalculation of the provision to be more in line with industry standards. This was a point raised by auditors previously that we were underproviding for rent arrears. The arrears position is also higher than originally budgeted for the year.

Gross rent arrears are noted at around 5.0% with voids stated at 0.72% showing a slight improvement from the period to December 2023.

**Covenants:** No issues with loan covenant compliance.

**Cashflow:** There are no issues for the Association currently regarding cash resources or liquidity. Cash balances at £4.6m are more favourable than budgeted.

The budget for 23/24 indicated a surplus for the year of £432k. The Association has made a surplus for the year of £312k giving an overall adverse variance to budget of £120k. Individual overspends are highlighted within the report.

Although results show an adverse variance to budget loan covenant compliance has still been achieved.

***After discussion, the Board noted and approved the Management Accounts for March 2024.***

### 13. CORPORATE/HR REPORT

Head of Corporate, HR & Finance presented the above report previously circulated with the agenda.

#### KPIs – 2023/24

Department	Section	KPI	Indicator for 2023/24	Status
Corporate	Staff	Sickness/Absence	3.0%	redacted as contains sensitive information
		Days lost due to absence	5 days per year per employee	redacted as contains sensitive information
	<b>Governance</b>	Number on Board of Management	12	redacted as contains sensitive information
		Board Training 4 sessions per year	4 training sessions per year	
		Memberships (New)	10	redacted as contains sensitive information
		Membership attendance at AGM	quorate figure + 10%	41 members attended (to be quorate we needed 16 members)
		Attendance at Board meetings	80%	redacted as contains sensitive information

#### Staff Absence

1 April 2023 - 31 <sup>st</sup> March 2024	
<i>redacted as contains sensitive information</i>	<i>redacted as contains sensitive information</i>
<i>redacted as contains sensitive information</i>	<i>redacted as contains sensitive information</i>
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<i>redacted as contains sensitive information</i>	<i>redacted as contains sensitive information</i>

***After discussion, the Board noted and approved the contents of the Corporate/HR Report***

**14. COMPLAINTS REPORT**

Head of Corporate, HR & Finance presented the Complaints Report previously circulated with the agenda.

The Association received the following complaints during the period 1<sup>st</sup> April – 31<sup>st</sup> March 2024.

Complaints	2022/23	2023/24
<b>Stage 1</b>	<b>51</b>	<b>80</b>
<b>Escalated to stage 2</b>	<b>2</b>	<b>8</b>
<b>Stage 2</b>	<b>0</b>	<b>5</b>
<b>TOTAL</b>	<b>51</b>	<b>85</b>

**Stage 1 Complaints** – 76 Stage 1 complaints were handled within timescales. 5 Stage 1 complaints were handled outwith timescale

**Stage 2 complaints** – 13 Stage 1 complaints were escalated to Stage 2, all of which were handled within timescale. There were 5 Stage 2 complaints, all of which were handled within timescale.

**Complaints referred to the Ombudsman** – no complaints have been referred to the Ombudsman.

The report also highlighted the outcomes and criteria of each complaint received.

Details of lessons learned from complaints made were also detailed in the report.

***After discussion, the Board noted and approved the contents of the Complaints Report from 1 April 2023 – 31 March 2024.***

**15. GDPR/FOI – QUARTERLY RETURN TO SCOTTISH INFORMATION COMMISSIONER**

Head of Corporate, HR & Finance presented the GDPR/FOI Quarterly Return to the Commissioner previously circulated with the agenda.

During this quarter (January – March 2024), we had received 5 x SAR requests and 2 x FOI requests and 0 EIR.

***The Board approved the contents of the Quarterly Return to the Commissioner. The Return will be uploaded to the Scottish Information Commissioner portal.***

**16. FRAUD REGISTER 2023/24**

The Head of Corporate, HR & Finance presented the Fraud Register for 2023/24.

***The Board noted that there were no matters raised relating to Fraud during 2023/24 and approved for the Chairperson to sign off the Register for 2023/24.***

**17. SENIOR LEADERSHIP SMART PLANS 2024-25**

Asset Manager presented the Senior Leadership Team's SMART Plans previously circulated with the agenda. *redacted as contains sensitive information.* This will be presented to the Board for approval when she returns to work.

***After discussion, the Board noted and approved the Senior Leadership Team's SMART Plans for 2024/25.***

**18. PROCUREMENT UPDATE**

**Lights in the Park:** The Chief Executive is revisiting the application as a result from Council feedback. An update will be provided to the Board at the next Board meeting.

**External Audit:** *redacted as contains sensitive information*

**19. CORRESPONDENCE**

None

**20. APPLICATIONS FOR MEMBERSHIP**

The Board considered 1 membership application as outlined by the Head of Corporate, HR & Finance.

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

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

**21. USE OF SEAL**

None

**22. ENTITLEMENT, BENEFIT AND PAYMENTS FOR 1 APRIL 2023 – 31 MARCH 2024**

The Head of Corporate, HR & Finance presented the above report previously circulated with the agenda.

***The Board noted and approved the Entitlement, Benefit and Payments report which will be signed off by the Chairperson.***

**23. NOTIFIABLE EVENTS**

None

**24. SUBSIDIARY & SUB-COMMITTEE DECISIONS MADE BETWEEN 28<sup>TH</sup> MARCH 2024 – 24<sup>TH</sup> APRIL 2024**

The Board noted that there were no meetings held since 27th March 2024 – 24th April 2024.

**25. A.O.C.B**

*redacted as contains sensitive information.*

**26. DATE AND TIME OF NEXT MEETING**

Wednesday 29<sup>th</sup> May 2024 at 6.00 pm

There being no further business the meeting concluded at 7.53 pm

Signature:  
**Chair of Board of Management**

Date: