

CRAIGDALE HOUSING ASSOCIATION

BOARD MEETING

MONDAY 28TH FEBRUARY 2022

AGENDA ITEM: 4A APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING

CRAIGDALE HOUSING ASSOCIATION MINUTE OF BOARD MEETING HELD ON MONDAY 31ST JANUARY 2022 AT 6.00PM VIA ZOOM

THE SECTIONS HIGHLIGHTED IN YELLOW HAVE BEEN REDACTED DUE TO THE CONTENT BEING PRIVATE AND CONFIDENTIAL

PRESENT:

John Kilpatrick	Chairperson	Claire Taylor	Board Member
Morag Cameron	Vice Chair	Hilary Tennant	Board Member
Des Phee	Secretary	Louise Bacon	Board Member
Helen Bayne	Treasurer	Christine McCormack	Board Member
Gemma Woodrow	Board Member		

IN ATTENDANCE:

Linda Chelton	Chief Executive Officer (CEO)	
Frances Cunningham	Senior Corporate Services Officer (SCSO)	(Minute Secretary)
Sam Morton	Senior Housing Services Officer (SHSO)	
Graham Harper	Graham Harper Consulting	(In Part)
Fettes McDonald	FMD Financial Services Ltd	(In Part)

1. Apologies for Absence

There were no apologies tendered for tonight's meeting.

Leave of Absence:

Catherine Jones, Board Member

Absent:

David Logan, Board Member

2. Chairperson's Remarks

The Chair welcomed everyone to tonight's meeting and thanked staff for organising the away day.

The Chair highlighted that Agenda Item 6: Development Opportunity-Castlemilk West Church Site Update Report, Agenda Item 7: Development Report, Prospective Development Site – Glenacre Terrace and Agenda Item 8: 2022/23 Budget (first draft) would be brought forward so Graham Harper and Fettes McDonald could present their reports and leave the meeting.

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3. Declaration of Interests

D Phee declared an interest in relation to Agenda Item 5, CEO Report regarding Southside Housing Association.

4. Minutes of Previous Meetings:

4.a Approval of Minutes of Board Meeting held on Monday 29th November 2021.

The Board approved the minute as a correct record of the meeting held on Monday 29th November 2021 as proposed by Morag Cameron and seconded by Claire Taylor. The minute was signed and sealed by the Chair.

4.b Matters Arising from the Board Meeting held on Monday 29th November 2021.

The Chair asked if anyone had any matters arising from the previous minutes of Monday 29th November 2021.

There were no matters arising from the Board Meeting of Monday 29th November 2021.

4.c Approval of Minutes of Board Meeting held on Monday 31st January 2022.

The Board approved the minute as a correct record of the meeting held on Monday 31st January 2022 as proposed by Christine McCormack and seconded by Claire Taylor. The minute was signed and sealed by the Chair.

4.d Matters Arising from the Board Meeting held on Monday 31st January 2022.

The Chair asked if anyone had any matters arising from the previous minutes of Monday 31st January 2022

There were no matters arising from the Board Meeting of Monday 31st January 2022.

5. Chief Executive Officer Report & Governance Report

The CEO presented the Chief Executive Officer Report & Governance Report to the Board and gave a brief update on the following:

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2.1.1 – Holiday & Toil Checks: The CEO highlighted staff have seen a demo of the clocking in system and will see a second demo of another system in two weeks.

2.1.1 – Service Providers – Caledonian Services: The CEO advised that we are currently experiencing issues with the uplift of fridge/freezers in the area. Caledonian are looking to charge us an additional charge of £65 to dispose of these items. The CEO highlighted that we are already paying a monthly charge for bulk uplift and won't have tenants paying additional charges.

2.2.1 Skills for Growth Audit – Kick Start: The CEO advised that we had spoken with Co-ordinator, and they could not offer assurances that any future recruitment would be successful. *L Bacon was really disappointed that the Kick Start wasn't successful, she has dealt with various groups, and it has proven to be a success.* **After discussion the Board agreed not to pursue Kick Start post.**

2.2.4 Employment Support: The CEO advised that this service would recommence this Thursday.

2.2.5 Bin Store Replacement: **The Board agreed to postpone the bin store upgrades and undertake clean up works of the area and essential health and safety works, with contract to be reviewed at a later date.**

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

Graham Harper joined the meeting at 6.00pm

6. Development Opportunities: Castlemilk West Church Site Update Report

G Harper presented the Development Opportunities, Castlemilk West Church Site Report and asked the Board to note the following points:

G Harper advised that the underbuilding and ground floor complete. Progressing drainage, services and street lighting cabling. AS Homes are re-programming the project with a view to pulling the completion date forward.

The Board noted and approved the Development Opportunities: Castlemilk West Church Site Update Report.

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7. Development Report: Prospective Development Site

G Harper advised that the purpose of this report is for the Board to consider the prospective development of site.

G Harper highlighted following some enquiries with NRS, it transpired that the site was deliberately left undeveloped. The developer prepared a “test layout” to consider what accommodation could be developed. NRS have confirmed that they would be prepared, in principle, to provide grant assistance for the project. The site was included in the Association’s SHIP submission to GCC however this can easily be removed in due course.

POSITION

NRS have confirmed that they are content for Craigdale to negotiate an extension to the current project. This has several advantages:

1. The developer will assist with the feasibility study, likely on an “at risk” basis.
2. The procurement route is much more simplified.
3. We work with a developer we have previously worked well with.
4. The project can be delivered more quickly.

The feasibility study would cover:

1. Ownership of the site, believed to be GCC and GHA.
2. Planning, if residential development would be acceptable.
3. Engineering – desktop review of the site to determine ground conditions and examine previous uses for risk of contamination.
4. Cost estimate and outline financial appraisal.
5. Layout and site capacity.
6. Likely NRS funding and timescales.
7. Procurement route.

G Harper highlighted those costs involved would costs over £2k approximately.

The Board noted and approved the Development Report: Prospective Development Site and authorised a short feasibility study be carried out and a project proposal report submitted to NRS outlining costs. A further report will be presented seeking approval to acquire the site if and when circumstances dictate.

Graham Harper left the meeting at 6.14pm

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F McDonald advised that the purpose of the draft annual budget is to provide members with details of the expected financial position of CHA for 2022/23 based on the main assumptions employed. The information contained within the budget was provided by and discussed with staff members.

F McDonald advised that the starting position at 1st April 2022 is based on the annual budget for 2021/22 with changes to reflect the actual results to March 2021, the fact that any pension deficit payments made in 2021/22 will be charged to the SOFP, that no bin shed spend in 2021/22 and that lower new build spend and changes in expected debtors. Loan arrangement costs together with an estate management app cost will now be incurred in 2022/23. The annual budget for 2021/22 indicated a surplus for the year of £76k and cash balances of £1.559m. Based on the aforementioned changes the updated position is a surplus for 2021/22 of £331k and cash at March 22 of £1.9m.

F McDonald advised that the draft budget for the year indicates a projected surplus of around £402k. As always, the projected outturn will depend on the assumptions employed and any changes in the assumptions will result in a change to the expected position.

This draft budget is based on an assumption of rents increasing by 4.1% from 1st April 2022. This equates to October CPI rate of 4.2% less 0.1%. The long-term projections were based on an assumption of rents increasing by CPI plus 1%. These projections also assumed a higher CPI rate.

For the 2 years to March 2023 surpluses of £733k are now expected compared to around £789k per the 2021/22 long term projections (after removing the bin shed costs assumed).

F McDonald highlighted that the main assumptions have been assumed as follows:

- Rent rise of 4.1%
- Voids of 0.5%
- Bad debts at 0.5%
- Salaries increase by 4% plus increments where applicable
- Overall maintenance provision of £585k
- Loan interest rates pre margin at rate of 1%
- New build completion September 2022
- New build spend totals £3.136m-funded by hag and debt
- Component replacement costs of £254k
- Shared owners buy back costs of £nil

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- Furniture costs at £1k
- Gross rent arrears of 3%
- New loan of £2.233m drawn down in 22/23 to support new build completion
- Loan capital repaid of £130k
- Pension deficit payment of £46k

The cash position at April 2022 is projected at £1.905m with the balance increasing to £2.1m by March 2023. This remains a strong position.

Based on the draft budget loan covenant compliance is achieved with headroom of £398k.

Management costs per unit, staff costs as a % of turnover and surplus ratios continue to show positive outturns. Debt per unit increases due to the RBS loan facility for the new build project.

Updates to the long-term projections shall be carried out in the final quarter of 2021/22 and shall form the basis of the 5 year budget submission to SHR.

F McDonald asked the Board if they had any questions?

M Cameron asked why the office maintenance costs were so high? F McDonald explained that this cost related to IT, Photocopier, Office Intruder & Fire Alarm, Website, Tenants Portal, Franking Machine, Telephones Maintenance.

Chair asked following on from SHR Health & Safety Tenants Safety questionnaire would there be enough money in the budget. The CEO advised that the majority of the work related to policies and procedures that would need to be adopted however items such as gas safety, electrical safety was already covered in the budget.

H Bayne mentioned on Page 2a of the budget assumptions there were no costs against Major Repairs. F McDonald highlighted that there had been no works identified however money has been set aside under component replacement of £254k for Boiler and Central Heating.

The Board noted and approved the first draft of the 2022/23 Budget.

Fettes McDonald left the meeting at 6.30pm

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9. Policy Review: Legionella Policy

The SHSO advised the Board that the purpose of this Policy relates to the Scottish Housing Regulator asking all landlords to complete a Tenant Health and Safety survey and to provide evidence of assurance in a number of categories. This requirement highlighted that although Legionella Management is covered in the Maintenance Policy, Craigdale was lacking in a written policy and procedure for managing this risk.

The SHSO highlighted that this is a new document and has been tailored to Craigdale and is now being presented to the Board for discussion and approval. The SHSO advised H2o were onsite today inspecting our tenemental properties for water tanks and that we are awaiting their findings.

The SHSO asked the Board if they had any questions or points of clarification.

C Taylor didn't think we had any attic tanks as all our properties have combi boilers. The CEO advised that Legionella does not survive over 60 degrees and that all hot water is set for 50 degrees or higher.

H Tennant it is a case of educating our tenants about legionella and preparing leaflets, articles for the newsletter and website.

The Board noted and approved the Legionella Policy with no further amendments.

10. Rent Report: December 2021

The SHSO presented the December 2021 Rent Report and advised that there has been an increase in arrears of £5,789.68 in December. The SHSO advised that this is the second month of the rent account being closed on 27th of the month. SHSO mentioned that staff are working through the list of late payers to get them signed up to a repayment agreement prior to the year end.

H Tennant asked if the table on Page 7 could we have a comparison figure to the previous month. SHSO will organise this for the next report.

The Board noted and approved the contents of the Rent Report- December 2021.

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11. Correspondence

The Secretary advised that there was no correspondence this month.

12. Any Other Competent Business

The Chair advised that there was not any other competent business.

13. Date of Next Board Meeting

- Monday 28th February 2022 at 6.00pm

The meeting concluded at 7.02pm