

CRAIGDALE HOUSING ASSOCIATION**BOARD MEETING****MONDAY 29TH NOVEMBER 2021****AGENDA ITEM: 4A APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING****CRAIGDALE HOUSING ASSOCIATION MINUTE OF BOARD MEETING HELD ON MONDAY 25TH OCTOBER 2021 AT 6.00PM VIA ZOOM****PRESENT:**

Morag Cameron	Vice Chair	Des Phee	Secretary
Helen Bayne	Treasurer	Christine McCormack	Board Member
Claire Taylor	Board Member	Hilary Tennant	Board Member
Evelyn Foster	Board Member		

IN ATTENDANCE:

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

1. Apologies for Absence

Apologies were tendered on behalf of Louise Bacon (Board Member), Gemma Woodrow (Board Member), John Kilpatrick (Chairperson), Catherine Jones (Board Member) and David Logan (Board Member).

The SCSO highlighted that C Jones has asked for three months leave of absence. The leave will start from November and will be reviewed in February. The Board approved C Jones leave of absence.

Leave of Absence:

None

Absent:

None

2. Chairperson's Remarks

The Vice Chair thanked everyone for their attendance tonight and welcomed our new CEO Linda Chelton to the Board. The Vice Chair asked if everyone could introduce themselves to Linda.

The Chair highlighted that Agenda Item 6: Development Opportunity-Castlemilk West Church Site Update Report and, Agenda Item 7: Finance – LIBOR Transition would be brought forward so Graham Harper & Fettes McDonald could present their reports and leave the meeting.

3. Declaration of Interests

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

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Housing Association.

4. Minutes of Previous Meetings:

4.a Approval of Minutes of Board Meeting held on Thursday 16th September 2021.

The Board approved the minute as a correct record of the meeting held on Thursday 16th September 2021 as proposed by Christine McCormack and seconded by Des Phee. The minute was signed and sealed by the Chair.

4.b Matters Arising from the Board Meeting held on Thursday 16th September 2021.

The Chair asked if anyone had any matters arising from the previous minutes of Thursday 16th September 2021.

There were no matters arising from Thursday 16th September 2021.

4.c Approval of Minutes of Board Meeting held on Monday 20th September 2021.

The Board approved the minute as a correct record of the meeting held on Monday 20th September 2021 as proposed by Des Phee and seconded by Christine McCormack. The minute was signed and sealed by the Chair.

4.d Matters Arising from the Board Meeting held on Monday 20th September 2021.

The Chair asked if anyone had any matters arising from the previous minutes of Monday 20th September 2021.

B104, 20.09.21-Agenda Item 7-Governance Review, RS1-1-SFHA Model Rules: The SCSO advised that she received approval from FCA today and will issue the rules along with corresponding paperwork to SHR for approval then OSCR.

B107, 20.09.21-Agenda Item 12-Role Description for Treasurer: The SCSO advised that the Role Description for Treasurer has been inserted into the Standing Orders.

B107, 20.09.21-Agenda Item 14-Policy Review, Business Continuity & Disaster Recovery Plan: The SCSO advised that the front sheet has been updated and Plan has been placed into the Policy & Procedure Library. The SCSO advised that two minor amendments will be required the removal of David Mackenzie and insertion of Linda Chelton's contact details. The Board approved the update.

5. Chief Executive Officer Report & Governance Report

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

2.3.2 Development Services: The SCSO advised the Board that they had a decision to make in relation to the amendment to the split of the Development Officer & Clerk of Works fee levels.

F McDonald explained that there is no change to the overall budget fee of £70k plus vat.

H Bayne asked if an overrun of the project would this affect the fee level.

F McDonald wasn't sure. He explained that there should not be an increase, however if work costs change, fee's would increase and the Association would get assistance with additional grant funding.

After discussion the Board agreed to the following amended split:

**Development Officer fee level will increase from £40,000.00 + vat to £45,584.00 + vat
Clerk of Works fee level will decrease from £30,000.00 + vat to £24,416.00 + vat**

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 Piling Works has been delayed as advised at September meeting. 5 weeks provisionally has been added to the project completion date although it is hoped that this can be recovered

H Tennant asked if the concrete pour would cause further delay to the contract. G Harper advised that there will evitable be further delays due to weather over the coming months.

D Phee asked if supply costs, builders supplies will this be captured within the Risk Register. G Harper confirmed that this has been included within the Risk Register.

G Harper advised that an extension of time to the contract would not affect our budget in relation to weather and supplies it would only affect the budget if we changed specification.

The Board noted and approved the Development Opportunities: Castlemilk West

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F McDonald advised when an Association is borrowing from a financial institution the lending rate is normally linked to either Bank of England Base Rate or London Inter Bank Offered Rate (LIBOR). So a loan interest rate could, for example, be stated at base rate plus 1% or LIBOR plus 1%.

Due to recent scandals and questions around its validity as a benchmark rate LIBOR is being phased out? The cessation of LIBOR has been confirmed as 31st December 2021 and this will be replaced by various alternative risk-free rates (RFRs) across the global financial markets.

Associations with existing LIBOR-linked products need to have either transitioned from those products or have signed amended documentation to be in a position to be able to switch from LIBOR to alternative RFRs before 31st December 2021. Currently for the Association this only applies to the Nationwide Building Society debt.

F McDonald explained that a credit adjustment spread (CAS) will be added to the current interest rate margin in order to neutralise any economic benefit to Craigdale because SONIA rates are lower than LIBOR rates, and the applicable spreads can either be calculated (a) by using the “look-back” basis, using the spreads (these are the figures which were published by the FCA on 5 March 2021 and which the FCA has indicated should be applied consistently by lenders to all borrowers) or (b) by using a formula which is based upon forward swap rates. The CAS is added because the average SONIA rate historically is a bit lower than the average LIBOR rate. So, for the sake of argument, if LIBOR was 1.5% and SONIA was 1.25%, and the interest rate margin which you have agreed to paid to NBS was, say, 1.5%, the Association will currently be paying 3% to the bank, but when you switch to SONIA, you would only be paying 2.75% - 1.25% plus the margin of 1.5%. So, in effect, you would have “won a watch” and the bank would have lost out, in a situation where the transition to SONIA is compulsory and not something which either the bank or the Association particularly wants to do and, not surprisingly, the bank would lose out, hence why all of the banks are adding a “credit adjustment spread”. In this example, the credit adjustment spread would be 0.25% so you would pay SONIA (1.25%) plus the credit adjustment spread (0.25%) plus the agreed margin (1.5%), giving a total of 3%, so the outcome is that you continue to pay 3% after switching from LIBOR to SONIA.

The impact of the change should be neutral.

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F McDonald advised that he is recommending that the Association selects Compounded Sonia as the basis of transition and is look for delegated authority to be given to the Chief Executive Officer to conclude the relevant paperwork in connection with this transition.

The Board noted and approved the Libor Transition Report and recommended that the Association selects Compounded Sonia as the basis of transition and have given delegated authority to the Chief Executive Officer to conclude the relevant paperwork in regard to this transition.

8. Governance Review

The SCSO presented the Governance Review Report which contains an update on progress to date against the external Governance Review completed in 2021. The action plan was approved by the Board on 28 June 2021, with updates to be provided monthly to the Board.

The SCSO highlighted that a number of completed items have been reverted back to yellow. She explained that although the main item has been concluded there are still some follow up work to be completed and does not wish anything to be missed.

The SCSO advised that she has no further updates for this meeting.

The Board noted and approved the updated Governance Review Report.

9. Register of Interest

The SCSO advised that the purpose of the report is for the Board to review the register entries during the year relating to Staff and Board declarations of interest, gifts and hospitality received and entitlements, payments and benefits and highlighted to the Board that the report will be brought every six months.

The Board noted and approved the Register of Interest Report for the period 1st April 2021 to 30th September 2021.

10. Policy Review**10.a Entitlements, Payments & Benefits Policy**

The SCSO highlighted that this document is a SFHA Model Document and was updated in April 2021. The SFHA commissioned Linda Ewart to draft the revisions on behalf of SFHA. The review process included a survey of all SFHA members, Consultation with a working

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group of SFHA Members and Input from the SHR.

In order to comply with the terms of this standard, the Scottish Housing Regulator (SHR) places a requirement on all RSLs to have in place a policy that sets out what payments and benefits it permits and to ensure that these arrangements demonstrate transparency, honesty and propriety. The Model has been approved by the SHR and is available to all SFHA members.

The policy applies to:

- everyone who is employed by the RSL,
- is involved in or responsible for its governance and
- those who undertake a volunteering role.

It covers the following topics:

- Managing interests of those to whom the policy applies
- People connected to those who those to whom the policy applies
- Use of the RSLs contractors/suppliers by those to whom the policy applies

The Board noted and approved the Entitlement, Payments & Benefits Policy with no further amendments.

10.b Code of Conduct – Board

The SCSO mentioned that this document is a SFHA Model Document and was updated in April 2021. The SFHA commissioned Linda Ewart to draft the revisions on behalf of SFHA. The review process included a survey of all SFHA members, Consultation with a working group of SFHA Members, Further consultation with Govern Body Members volunteers and Input from the SHR.

All Registered Social Landlord (RSLs) are required to adopt and comply with an appropriate Code of Conduct, and this Model has been approved by the Scottish Housing Regulator as fully complying with its regulatory requirements. The Code is divided into seven principles that governing body members must adhere and commit to.

Before taking up their role on the governing body, individual members must sign the Code and they must re-affirm their commitment annually. If someone who has been elected, co-opted or appointed to the governing body refuses to sign the Code, they cannot take up their position on the governing body.

The Board noted and approved the Code of Conduct (Board) with no further

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amendments.

10.c Code of Conduct - Staff

The SCSO highlighted that this document is a SFHA Model Document and was updated in April 2021. The SFHA commissioned Linda Ewart to draft the revisions on behalf of SFHA. The review process included a survey of all SFHA members, Consultation with a working group of SFHA Members, Input from the SHR and Input from EVH.

All Registered Social Landlord (RSLs) are required to adopt and comply with an appropriate Code of Conduct, and this Model has been approved by the Scottish Housing Regulator as fully complying with its regulatory requirements. The Code is divided into three groups of principles that all members of staff must adhere and commit to.

Each staff member must sign the Code of conduct on appointment (as part of the induction process) and it should be signed annually thereafter. It can be useful to coincide this with the annual appraisal.

The Board noted and approved the Code of Conduct (Staff) with no further amendments.

10.d Succession Planning - Board

The SCSO advised the Board that the SFHA produced this guidance to assist its members in their approach to succession planning and recruitment of Board Members. The guidance was updated in February 2021. The SFHA commissioned Linda Ewart to draft the revisions on behalf of SFHA. It has been updated since the original publication in 2018 to take account of developing practice and experience and to reflect the introduction of the SHR's new Regulatory Framework in 2019.

The Board noted and approved the Succession Planning (Board) with no further amendments.

10.e Succession Planning - Staff

The SCSO highlighted that the SFHA commissioned Linda Ewart to draft the revisions on behalf of SFHA. This document was updated in February 2021.

This guidance forms part of SFHA's series of governance good practice publications and is intended to be relevant to both governing body members and senior staff. It is intended to complement SFHA's guidance on GBM Succession Planning and Recruitment and has

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been updated from the original version which was published in 2018/19. SFHA's guidance emphasises the importance of integrating succession planning for both the governing body and senior staff into the RSL's business planning processes. The focus of this guidance is senior staff, with particular emphasis on the senior officer, although much will also be relevant to the RSL's wider human resource planning. The same principles underpin succession planning for the senior staff team.

The Board noted and approved the Succession Planning (Staff) with no further amendments.

11. Share Capital Report

The SCSO highlighted that there has been no change to the membership.

The Association's Membership stands at 77 Members.

The Board noted and approved the Share Capital Report.

12. Notifiable Events Report

The SCSO advised that there were no notifiable events this month.

The Board noted the verbal update in relation to the Notifiable Event.

13. Rent Report: September 2021

The Vice Chair confirmed the Rent Report is for information only and noted the rent report for September 2021.

The Board noted and approved the contents of the Rent Report.

14. Correspondence

The Secretary presented the following correspondence:

- a) EVH Brief Monthly Report (September 2021)
- b) SPSO – Customer Service Complaints, Applications of Model Complaints Handling Principles & Procedures and Service Recovery
- c) Kick-start - Employers Agreement: The SCSO advised we have received the Kick-start Scheme funding letter and require delegated authority for the CEO to sign the

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document on behalf of the Association. The Board gave delegated authority to the CEO to sign the employer's agreement.

15. Any Other Competent Business

- a) Business Away Day: The SCSO advised that Hampden have been in contact to say they are unable to hire out the venue on Friday 19th November due to it being League Cup Semi-Final weekend due to security reasons. We are currently awaiting for them to advise of other dates that maybe available. Once we have a new date we will issue date to Board and Staff.
- b) Buy Back Property with Sitting Tenant: The SCSO advised that an owner has approached asking if we would consider buying back their property with a sitting tenant. The owner has approached us previously however hasn't taken it any further.

C Taylor mentioned that this had been shelved previously.

D Phee highlighted that the property would revert back to a SST and would also be preventing homelessness.

H Tennant mentioned that we would need to look at the principles that there was a need. It would be market value with a sitting tenant that she would feel uncomfortable and did not think it would tick all the criteria's.

D Phee highlighted that we may be able to get Government Grant to assist with buying the property back.

E Foster asked for some more information. The SCSO advised that the property was within a tenement property and that the owners (then tenants) took up right to buy.

After a Board discussion the Board agreed that a report should be presented to the Board, for them to make an informed decision.

16. Date of Next Board Meeting

- Monday 29th November 2021 at 6.00pm

The meeting concluded at 7.45pm