

MINUTES OF MEETING NO.640
QUEENS CROSS HOUSING ASSOCIATION BOARD OF MANAGEMENT
HELD ON TUESDAY 28 JANUARY 2020 AT 6.00 P.M.AT 45 FIRHILL ROAD

Andrew Burns, Marilyn Clewes, Margaret Glass, Sadie Gordon, David Horner, John McIntyre, Anne Ramsey, Robert Takenzire, Bronwyn Wyper.

Rona Anderson (Director of Property, Enterprise and Regeneration), Donalda Hogg (Head of Business Services), Elizabeth Hood (Depute Director), Neil Manley (Director of Finance and Corporate Support Services), Fiona Smith (Executive Office Manager), Louise Smith (Director of Neighbourhood Services), Shona Stephen (Chief Executive), Adele Drennan (Governance Officer).

ACTION

1. Housekeeping Arrangements

Noted.

2. Welcome and Apologies

Apologies received from Ian Elrick.

The Board were informed that Christine Thomson has resigned from her position as a Board member and we will write to her to thank her for her commitment she has given to the Board during her time as a member. Recruitment to the Boards across the QC Group will commence in March and a Report will be brought to the Board.

3. Declarations of Interest

There were no new declarations.

4. Draft 2020 / 2021 Budget

4.1 The purpose of this Report was to present the draft budget summary for the **2020/21** financial year together with the revised 30 year financial plan for discussion.

The board at the planning session held in November agreed the parameters for the financial assumptions including rent increase levels to be included in the financial model. The association consulted on three options for the increase on rents from April 2020 of 2.4%, 2.9 % and 3.4% and the draft figures in the Report assume a rent increase of 2.4%.

Neil Manley, Director of Finance and Corporate Support delivered a presentation which included the intergroup budget relationships with Factoring and Workspace for 2020/2021.

4.2 The pay increase of 1.6% has previously been agreed through a two year deal therefore discussion focused on non-pay budget increases (section 4.2 of the report), investment plans over the 30 year period (section 4.3 of the report), new build assumptions (section 4.4 of the report) and the key risk areas (section 5 of the report).

4.3 The Board discussed the rent inflation assumptions as set out in Appendix 7 and noted that the libor rate should be 4% and not -4% as noted in the Appendix.

The Board noted that:

- a) The Workspace and Factoring Boards will agree their draft budgets in February and they will come to the Housing Association Board (Parent) in March for approval. There will not be a consolidated budget as it is more meaningful to

have separate budgets for each subsidiary however consolidated accounts will be produced at year end.

- b) Revised delegated authorities for the Association (Parent) and subsidiary Boards are being finalised and will be brought to the Board in March for approval.
- c) The Garscube Foundation accounts will not be consolidated within the group.
- d) The subsidiaries have delegated authority to agree manage and spend as per their agreed budgets
- e) In any year variations over £50k for Factoring and over £100k for Workspace will require Group approval.
- f) Subsidiaries financial performance will be reported in the quarterly performance reports to the Association (Parent) Board.
- g) This Report is based on the assumption of a 2.4% rent increase which is subject to approval at item 6.
- h) That £100k per annum savings require to be made.
- i) The change to the split in pension contributions has been deferred for one year.
- j) The forecast meets the covenants required as set out in Appendix 5.

5.0 CAF Deposit Platform

- 5.1 The purpose of this Report was to present submission of an application to **CAF** to open a deposit platform account for approval.

The Board's approval will allow the association to manage some of its cash reserves via the portal on a daily basis accessing and entering into interest rate fixed deposits as appropriate. The associations existing Treasury Management policy will continue to provide and over-arching structure for this investment strategy. The online portal will be useful in making the treasury management process much simpler to administer. Further benefits of this were also highlighted to the Board.

- 5.2 After discussion, the Board approved the opening of a Charities Aid Foundation Deposit Platform account. **Neil**

6.0 Rent & Service Charge Consultation 2020

- 6.1 The purpose of this Report was for the Board to consider the feedback from tenant consultation and use this to inform the final decision on the rent increase to be applied from 1st April 2020.

- 6.2 The consultation ran from 28th October to 29th November 2019 (earlier than the previous years where it ran over Christmas). A refreshed approach combined with the consultation being completed earlier resulted in a higher response rate of 14% (605 returns compared to 359 in 2018).

A summary of the results of the consultation are set out in Appendix 2.

- 6.3 The Board discussed that the Association's current rent levels are generally well within the levels considered affordable for families, single parent families and couples and have been reviewed in line with the SFHA's / Housemark Affordability Tool.

The Board were asked to consider the level of rent increase to be applied in conjunction with agreeing the draft budget as presented by the Director of Finance and Corporate Support.

- 6.4 Having taken the time to consider the comments and feedback from tenants during the rent consultation process, the Board:
- a) Agreed to increase rents by 2.4% reflecting the September 2019 rate of inflation.

- b) Considered, along with the draft budget as presented by the Director of Finance & Corporate Support and confirmed the percentage increase to be applied to rents and service charges for all Scottish Secure, Scottish Short Secure Tenancies and Leased properties to take effect from 1st April 2020.

Elizabeth

ACTION

7.0 Major Repairs phase 1 – Tender approval

7.1 The purpose of this Report was for the Board to accept the tender from D.B.M Building Contractors Limited based upon the tender report issued by our Cost Consultants Faithful & Gould on the 25/11/19, but with the caveat that the project will be split into three separate sections to mitigate risk. The procurement outcome reflects the Association's decision to actively encourage SME contractors.

7.2 After discussion, the Board approved the Tender from D.B.M but rather than commence all three streets simultaneously, it was agreed that the project will be split into three separate sections namely,

Rona

- Springbank Street- £490,000- 12 weeks
- Northpark Street - £965,000- 24 weeks
- Firhill Street- £815,000- 25 weeks.

8.0 Amendments to 2020 / 2021 Meeting Schedule

8.1 The purpose of this Report was for the Board to approve the amendment of three dates in the 2020 / 2021 meeting schedule in relation to the July Audit Committee, the August Board meeting and the Remuneration Committee meeting; and the removal of the QC All Boards Event scheduled for 16 September 2020.

8.2 After consideration, the Board agreed:

- a) that the Audit Committee meeting currently scheduled for 22 July 2020 be moved forward by two weeks to 5 August 2020.
- b) that the Board of Management meeting currently scheduled for 11 August 2020 be moved forward by one week to 18 August 2020.
- c) that the Remuneration Committee meeting currently scheduled for 6 May 2020 be moved forward to 14 May 2020 to allow additional time for appraisals to be completed.
- d) that the QC All Boards Event scheduled for 16 September be removed from the 2020/2021 meeting schedule and that members from QC Factoring, Workspace and Garscube Boards be invited to join the QC Board at the Business Planning Event on 19 June 2020.

9.0 Health and Safety

9.1 This is an opportunity to report on safety performance, funding requirements, safety failures and any other H&S related issues, to allow the board to give all such issues due consideration.

There were no matters to be reported.

10.0 New Membership Applications

10.1 There was one new Membership Application to be considered. An eligibility check has been completed and the applicant who is interested in Board/Committee membership will be contacted.

10.2 The Board approved the Membership Application.

11.0 Minutes of meeting 638 and 639

- 11.1 The minutes of meeting 638 were agreed as an accurate account, proposed by Anne Ramsey and seconded by Margaret Glass.
- 11.2 The minutes of meeting 639 were agreed as an accurate account, proposed by Sadie Gordon and seconded by Anne Ramsey.
- 11.3 The notes of the Business Planning session which took place on Friday 29 November 2019 was agreed as an accurate account. The Board confirmed its decision to extend the rent restructure for a further two years as agreed at the Business Planning day in November.

12.0 Action Tracker

- 12.1 There were no changes to the action tracker.

13.0 A.O.B

13.1 Tabled Report – Investing in Communities Fund (ICF)

- 13.1.1 The above fund aims to empower communities enabling them to tackle poverty, inequality and rural disadvantage on their own terms, in turn supporting inclusive growth develop local assets, services and projects that respond to the needs of the people in their communities. The Association’s application for funding for its Community Opportunities Project has been approved by the Independent Assessment Panel for the first round of funding from the Investing in Communities Fund (ICF). Rona Anderson presented the schedule of Authorised Signatories to the Board for approval. Two of the four agreed signatories are required to draw down grant and none of the authorised signatories salary costs are being funded by the ICF grant.
- 13.1.2 The board gave authorisation for Marilyn Clewes, Chair to sign and verify that Rona Anderson, Neil Manley, Donalda Hogg and Jamie Ballantine would be the authorised signatories.

14.0 Date and Time of Next Meeting

The meeting concluded at 7.40pm.

The next meeting will take place on Tuesday 25 February 2020.

I certify that the above minute has been approved as a true and accurate record of proceedings:

Chair: Date: