

**CUBE HOUSING ASSOCIATION LIMITED  
MANAGEMENT COMMITTEE MEETING 158  
AT SKYPARK, 45 FINNIESTON STREET  
31<sup>st</sup> MAY 2007**

**Present:** Gordon Scott, Chairperson  
Stephen Smith, Committee Member  
Ellen McGowan, Committee Member  
Alan Ferguson, Committee Member  
Susan Holms, Vice Chairperson  
Rena Ross, Committee Member  
Frank McFadden, Secretary  
Lesley McInnes, Treasurer  
**Members in attendance: 67%**

**In attendance:** Lynn McCulloch, Chief Executive  
Willie Croft, Head of Regeneration  
Andrew Hashmi, Head of Finance & Corporate Services  
Barbara McGibbon, Housing Manager  
Gordon Taylor, Community Services Manager  
Grant Clayton, Corporate Administrator (minutes)

Ann Fehilly and Darren Lambie, Glasgow Community Safety Services  
(Item 6.2)

		<b>ACTION</b>
<b>1</b>	<b>APOLOGIES</b>	
	Apologies were received from Bob Turnbull and Liz Ruine. Bill Steen and Jim Foulis were not in attendance. Douglas Paton and Michael Paton remained on leave of absence.	
<b>6.2</b>	<b>Presentation by Glasgow Community Safety Services</b>	
	<p>The visitors from Glasgow Community Safety Services delivered a presentation on the new venture formed by GCC and Strathclyde Police; Glasgow Community Safety Services (GCSS). They highlighted the key areas which are:</p> <ul style="list-style-type: none"> <li>• Security and CCTV systems</li> <li>• Local Teams</li> <li>• Intelligence and Co-ordination</li> <li>• City Centre task force</li> <li>• Local Community Safety</li> <li>• Antisocial Behaviour</li> <li>• Future Aims</li> </ul> <p>There were various questions about what the service means for Cube residents. GCSS explained that all Housing Associations across the city can expect some level of service. From June 2007 a programme will be put in place for services and resources such as mobile CCTV cameras and graffiti removal on a month to month basis.</p> <p>They also explained that they will look at particular cases when requested and action plans will be put into place with staff from GCSS and HAs working together. They confirmed that staff from GCSS can be used as professional witnesses in anti social behaviour cases. They said that the categories for anti social behaviour are very similar and timescales for responding to cases could be aligned with those of the HAs.</p>	

	<p>When questioned about funding for this service, GCSS confirmed that all services would be free to owner occupiers but that HAs would have to pay for any additional services required above the basic level. Committee questioned the fairness of this, given that all residents pay council tax. GCSS confirmed they had already heard similar comments but did not anticipate any change. They would be happy to present further information to Committee/Area Committees on the GCSS and bring staff to meet Cube officers and Committee members. Committee thanked the visitors for their presentation and they left the meeting.</p> <p>Committee <b>noted</b> that this is an important new service which will have to be taken into account in the current review of the on site and antisocial behaviour services provided by Cube.</p>	
<b>2</b>	<b>MINUTES OF PREVIOUS MEETING</b>	
<b>2.1</b>	<p>Management Committee 1<sup>st</sup> March 2007.</p> <p><b>The minutes were agreed as a true record of the meeting.</b> Proposed: Ellen McGowan Seconded: Frank Macfadden Signed: Gordon Scott</p>	<b>GC</b>
<b>3</b>	<b>MATTERS ARISING</b>	
	<p>Item 5.2 - Revised Staff Structure &amp; Recruitment</p> <p>Stephen Smith asked what progress had been made with implementing the staff structure. The Chief Executive advised that new posts had been opened up for all staff currently at the same grade, rather than restricted to staff whose jobs would be deleted. This had been at the request of staff through their trade union representatives. On the next phase; she said that the views of estate staff had been presented at the Staffing Sub Committee and that there would also be some concerns for the sub committee to address for sheltered housing staff and how to cover the residual duties of the Community Services Team if sheltered housing support is transferred to another organisation.</p>	
<b>4</b>	<b>AREA AND SUB-COMMITTEE MINUTES</b>	
	<p>The following minutes were <b>noted</b>. There were no matters arising</p> <p>4.1 Dumbarton Area Committee No.77 – 03-04-07</p>	
<b>4.3</b>	<b>Verbal feedback from staffing sub committee, 31<sup>st</sup> May 07</b>	
	<p>Frank Macfadden provided an update from the Staffing Sub Committee. He explained that staff representatives from the Estate Service team were in attendance to share their thoughts and concerns on the next phase of the new structure. Committee concerns on value for money for customers of the service were also discussed.</p> <p>Committee <b>noted</b> the update.</p>	
<b>5</b>	<b>CORPORATE AND GOVERNANCE</b>	

<b>5.1</b>	<b>Annual Performance and Statistical Return 2006/2007 (APSR)</b>	
	<p>The Committee discussed the importance of the APSR in allowing the Association to measure how well it has performed over several years and in contributing to the national figures which Communities Scotland publishes from all Associations, also allowing Cube also to compare its performance against its peers.</p> <p>The Chief Executive confirmed that a benchmarking report on the year's performance would be presented when the information provided to the Scottish Housing Quality Network had been analysed and returned. This would help to confirm priority improvement areas.</p> <p>The Committee confirmed that the APSR return was accurate and authorised the Chairperson to sign off the return online following Committee approval.</p> <p>Committee <b>approved</b> the Annual Performance and Statistical Return.</p>	<b>GC / Chair</b>
<b>5.2</b>	<b>Quarterly Performance Reports to 31<sup>st</sup> March 2007</b>	
	<p>The Chief Executive advised that these reports gave an overall picture of performance at Cube during the year. Staff presented the key areas from the final quarterly performance reports for 2006/07.</p> <p>Improvements were noted, particularly in void turnover and letting times, rent arrears and factoring arrears. Following questions and discussion on these and other key performance areas particularly community services, welfare rights, repairs, projects and the accounts, Committee <b>noted</b> the internal performance information for 2006/07.</p>	
<b>5.3</b>	<b>Governance Review, Committee Workshop report 17 May 07</b>	
	<p>Committee <b>noted</b> the feedback from the workshop with consultant Paton Independent held on 17 May. Committee agreed to have the final workshop on an evening. Date and time to be arranged.</p>	
<b>5.4</b>	<b>Membership Applications</b>	
	<p>Committee were asked to grant approval for membership and to affix the Seal on the share certificates for the following, whose addresses were included in the report:</p> <p>Mr Kisley Di Giuseppe</p> <p>Committee <b>approved</b> the membership applications.</p>	<b>GC</b>

6.	<b>HOUSING SERVICES</b>	
6.1	<b>Housing Support Provider status, planned withdrawal</b>	
	<p>The Community Services Manager summarised the report explaining that it recommended withdrawing from support provider status because, on balance, the risks of continuing to be a direct provider of housing support services are beyond the Association's expertise and resources to manage adequately, and not in the best interests of its customers. Continued provision would maintain and increase the financial deficits already identified.</p> <p>He also updated Committee on what action had been taken since the 27<sup>th</sup> April 2007 to progress the decision made at that meeting - to have formal consultation with staff affected by potential changes to either the alarm or sheltered services and their recognised trade union representatives. He had also discussed the alternative options available for the delivery of the sheltered services with Glasgow City Council Supporting People team.</p> <p>There were questions about how much information the Committee could obtain about the level of service tenants would receive from potential alternative alarms and sheltered housing support providers. The Community Services Manager explained that service levels are set by the local authority and all providers would have to meet these. As the decision on who to appoint (including when Cube was appointed) lies with the Council, Cube can't determine who the service will go to. However, Cube could ensure the Council has information on tenant preferences.</p> <p>Susan Holms expressed some reluctance to change as she feels the tenants currently receive a very good service. The Chief Executive agreed but highlighted the reasons given in the report for recommending change now, e.g. that we can't sustain a good level of service with the current equipment and can't justify the additional costs to tenants of replacing it. The Community Services Manager added his advice that in the long term the service will benefit if Cube withdraws from direct delivery in favour of a specialist provider.</p> <p><b>Committee approved:</b></p> <ul style="list-style-type: none"> <li>▪ A planned withdrawal of direct service provision of the alarm and sheltered service. On that basis, discussions should be opened with</li> </ul>	<b>GT</b>

	<p>tenants on the transfer of the service and with Initial, the equipment contractor;</p> <ul style="list-style-type: none"> <li>▪ That Supporting People be formally advised that Cube wishes the contract to terminate within 6 months from 1st June 2007. (<i>This date should only be extended if required to protect the interests of customers</i>);</li> <li>▪ The transfer of the services should be on the best financial terms possible to ensure any long term risk for Cube is minimised;</li> <li>▪ Staff posts should be protected where possible by maximising redeployment opportunities as contained in the Association's Redundancy Policy and the current organisational review, and;</li> <li>▪ In the absence of suitable alternative opportunities, TUPE discussions be progressed with affected staff, unions and the Council.</li> </ul>	
<b>6.3</b>	<b>Choice Based Lettings Policy</b>	
	<p>The Housing Manager presented the amendments to the Choice Based Lettings Policy. She advised that the Association reviews its Policies every three years, however this Policy is being reviewed earlier to take into account feedback from our recent review of the outcomes of the policy and good practice comparison. The Housing Manager drew attention to the changes highlighted, which aim to comply with legislation, Communities Scotland's revised performance standards, and best practice. These had also been presented to the Joint Area Committee meeting and commented on by consultant Paton Independent. All this feedback has been taken into account in the final draft.</p> <p>Following questions and discussion the Committee asked for further checks on the proposals for suspending some applications from asylum seekers. Approval of the new policy was <b>deferred</b> pending confirmation of statute and good practice in this area.</p>	<b>SM</b>
<b>6.4</b>	<b>Pet Policy Review</b>	
	<p>The Housing Manager presented the new Pet Policy. A draft policy was drawn up based upon legal advice, good practice research and advice from SSPCA. The draft was presented to the Joint Area Committee and comments were invited from the Customer Database and tenants who had appealed against the previous policy. She reported mixed views on the introduction of this policy, with reluctance in some areas to relax the ban on</p>	

	<p>dogs in some house types. However there is a general recognition that a blanket ban is not sustainable and the challenges faced require to be effectively managed. Suggestions from this consultation have been taken into account in the final version presented for approval.</p> <p>Committee voted 6 to 2 in favour of the recommendation and <b>approved</b>;</p> <ul style="list-style-type: none"> <li>i) the new pets policy, and;</li> <li>ii) an amendment to Cube's Scottish Secure Tenancy Agreements to remove the current pet exceptions referring to sheltered complexes and multi-storey flats and to amend the wording as in the report.</li> </ul>	
<b>6.5</b>	<b>Eviction Report</b>	
	<p>The Housing Manager presented the report. Committee discussed the case and expressed concern about the apparent lack of response by Social Work to early warnings of potential homelessness. Committee agreed that all other options had been exhausted and <b>approved</b> the recommendations to implement the eviction decree and take repossession action.</p>	
<b>6.6</b>	<b>Supporting People Funding for 2007/08</b>	
	<p>The Head of Housing Services highlighted that funding from Supporting People has been identified for the coming year at the same amount as for 2006/07. Committee noted the connection with item 6.1 above and discussed this effective cut in resources. As it did not take account of inflationary cost increases and staff salaries, the outcome would be housing support services operating with an increased deficit in 2007/08 until new providers were identified by the Council.</p> <p>Committee <b>noted</b> contents of the report.</p>	
<b>7</b>	<b>REGENERATION SERVICES</b>	
<b>7.1</b>	<b>Station Road, Lennoxton - Grant of Standard Security to Horizon Residential Developments Ltd</b>	
	<p>The Head of Regeneration presented the report.</p> <p>A report seeking approval to grant a Standard Security should have been submitted before concluding the land acquisition. On this occasion however the acquisition needed to be completed before 31<sup>st</sup> May 2007 to allow a site start on the 1<sup>st</sup> June 2007.</p>	

	<p>He explained that it is essential that this timescale is adhered to as this is part of a larger phased development. Cube has an obligation to complete the project within a set timescale. This obligation is secured under a Section 75 agreement between Horizon Residential Developments Ltd and East Dunbartonshire Council.</p> <p>The Head of Regeneration explained he that contacted Cube's four office bearers on 17<sup>th</sup> May 2007 and in accordance with their delegated authority, agreement was reached that the terms of the Standard Security were reasonable, should be granted and that this action should be the subject of a subsequent report to homologate that decision.</p> <p>Committee <b>noted</b> the action taken to complete the land acquisition for this project and <b>homologated</b> the decision taken by the Office Bearers to accept the conditions in the standard security, as included in the report.</p>	
<b>7.2</b>	<b>Wyndford Learning Centre</b>	
	<p>The Head of Regeneration gave a verbal update on the progress of the Wyndford Learning Centre. He advised that a satisfactory arrangement had been reached about the provision of youth services, which would meet the objectives of both Cube HA and Glasgow North Ltd. Informal agreement had also been reached about the terms of a new lease for the building and this was being drafted by solicitors for a future report to Committee.</p> <p>Committee <b>noted</b> the update.</p>	<b>WC</b>
<b>7.3</b>	<b>Tender Acceptance and Grant of Standard Security for Burns Drive</b>	
	<p>The Head of Regeneration presented the report seeking approval for staff to negotiate and complete the acquisition of the two sites required for the development at Burns Drive in Johnstone. He advised that there is a requirement for a furniture package to be provided at the Supported Unit at Burns Drive and that Renfrewshire Council had asked Cube to provide the furnishings package.</p> <p>Committee <b>approved</b> the recommendations to:</p> <ul style="list-style-type: none"> <li>i) Give authority to the Head of Regeneration to negotiate and complete the acquisition of the two sites associated with this project.</li> <li>ii) Give authority to the Head of Regeneration to accept the tendered offer submitted by Martin Sim Ltd after a financial viability</li> </ul>	

	<p>assessment has been carried out in line with Cube’s procedures and all necessary funding and statutory requirements are in place.</p> <p>iii) Grant a Standard Security to Renfrewshire Council with regard to the site where specialist accommodation will be built and also noted that this Security is part of the Section 66 General Consent and;</p> <p>iv) Give authority to the Head of Regeneration to provide a furnishings package on the basis that all upfront capital costs and replacement costs will be recovered through a service charge for which future tenants can claim Housing Benefit.</p>	
<b>7.5</b>	<b>Shawpark Street, Maryhill Resolution of Access Rights (report tabled)</b>	
	<p>The Head of Regeneration presented the tabled report about the conclusion of negotiations between Cube and Ludgate 312 Ltd in order to resolve access rights over the lane adjacent to the Cube development site at Shawpark Street, Maryhill.</p> <p>With the assistance of Cube’s legal advisors, the terms of an agreement, as previously approved by the Committee, have been formally accepted by Ludgate. This brings Cube to a position to enter into a Deed of Servitudes and Real Burdens, as attached to the report and as advised by Cube’s solicitors.</p> <p>He reported that the contractor has re-priced his offer for the development, in line with the delay experienced in the site start. This has been negotiated with the assistance of the professional design team and it is approximately £150,000 higher than the original contract price of £1,051,311.32. The total additional contract costs for this development are therefore in the region of £160,000 as a result of the delay in achieving access rights. The Head of Finance &amp; Corporate Services confirmed that this sum could be made available from current budgets without an adverse effect on other planned improvements or developments.</p> <p><b>Committee approved:</b></p> <ol style="list-style-type: none"> <li>1. The conditions contained within the “Deed of Servitude &amp; Real Burdens for agreement with Ludgate 312 Ltd;</li> <li>2. Authority for the Head of Regeneration to formally accept J.B Bennetts re-priced offer to complete the project based on the price being in the region of £150k greater than the original contract price of £1,051,311.32.</li> </ol> <p>The Committee also <b>noted</b> that the “Deed of Servitude &amp; Real Burdens” is</p>	

	part of the Section 66 General Consent.	
<b>8.</b>	<b>FINANCE AND IT</b>	
<b>8.1</b>	<b>Financial Projections – 5 year projections for submission to Communities Scotland</b>	
	<p>The Head of Finance &amp; Corporate Services presented the forecast income and expenditure account and balance sheets to 2011/12. He explained that these allow Communities Scotland to review viability and monitor sector wide trends. He explained that the projections are simply a restatement of the numbers previously considered by the Committee and approved in the 30 year business plan. Therefore, the figures demonstrate an improvement in the financial position of Cube from the last return in 2006, while confirming the remaining funding required to meet the Scottish Housing Quality Standard by 2015.</p> <p>Committee <b>approved</b> the return to Communities Scotland.</p>	
<b>8.2</b>	<b>Annual Treasury Management Report</b>	
	<p>The Head of Finance &amp; Corporate Services presented the report and highlighted the changes in treasury management recommended as a result of the recent refinancing of loans with Nationwide. He advised that it is necessary for the Committee to review treasury issues going forward, specifically the need to hedge the loan portfolio from interest rate risk. The report included information on prices submitted by appropriate companies to provide independent treasury advice</p> <p>Committee <b>approved</b> that:</p> <ol style="list-style-type: none"> <li>1. The SHQS working group will meet to consider an appropriate hedging strategy, take advice from an external adviser on this and bring forward a recommended strategy for approval by committee;</li> <li>2. J.C. Rathbone Associates Ltd are appointed as treasury advisers to the Association for this purpose;</li> <li>3. The properties released from security by RBS, Aareal, Clydesdale and Bank of Scotland be charged to Nationwide as these loans are repaid, and;</li> <li>4. The SHQS group will review the operation of the Investment Strategy (use of surplus funds) and bring forward appropriate amendments to the treasury policy</li> </ol>	

<b>8.3</b>	<b>Nationwide Loan Agreement</b>	
	<p>The Head of Finance &amp; Corporate Services presented the Nationwide loan agreement amendments which have been agreed between our respective solicitors and now require to be approved by the Committee.</p> <p>Andrew highlighted the key obligations from the document and advised that these were consistent with the original offer from Nationwide which had been previously discussed by the Committee. It also included further favourable terms which had been negotiated with Nationwide thereafter. The Committee was satisfied that it was in the best interests of the Association and its tenants to enter into this agreement.</p> <p>Committee <b>approved</b> the new loan agreement.</p>	
<b>8.4</b>	<b>Grant of Standard Securities to Nationwide Building Society</b>	
	<p>The Head of Finance &amp; Corporate Services summarised the report. Funding will be required for the Association to advance its new build programme, therefore authority is sought to grant standard securities in favour of the Nationwide Building Society over the development sites. In addition Cube is required to make application to Communities Scotland for consent under Section 66 of the Housing (Scotland) Act 2001 to grant these standard securities in favour of Nationwide.</p> <p>The relevant development sites are:-  Station Rd in Lennoxton.  Loch Rd, Waterloo Close and Woodstock Ave in Kirkintilloch.  Auchenback in Barrhead.  Burns Dr in Johnstone  Shawpark St and Moraine Ave in Glasgow.</p> <p>Committee <b>approved</b>, for the 8 properties in the report:</p> <ol style="list-style-type: none"> <li>1. The granting of standard securities to Nationwide, and;</li> <li>2. The relevant applications for Section 66 consent .</li> </ol>	
<b>8.5</b>	<b>LSVT Contract Consultation</b>	
	<p>The Head of Finance &amp; Corporate Services summarised the report on the current consultation by Communities Scotland on whether their contracts with stock transfer landlords, including Cube HA, should be set aside by agreement. When Cube undertook the Glasgow West and Dumbarton stock transfers the Association entered into LSVT contracts with Scottish</p>	

	<p>Homes, now Communities Scotland (CS) as vendor. These provided numerous rights, obligations, and warranties, many of which are now time expired. The most contentious issue relates to the receipts from tenants exercising their Right to Buy, which are in excess of that stipulated in the contract, known as Excess RTB. Cube has a liability of £1.05m inclusive of interest to be repaid to Communities Scotland.</p> <p>The Management Team are agreed that from Cube's perspective the two contracts have no value and indeed were this proposal confirmed then it would extinguish the excess RTB liability and Cube reserves would increase by £1.05m. This sum would then be available to invest in improving the transferred housing stock. This advice is confirmed by Cube's legal advisors as attached to the report.</p> <p>The Committee <b>agreed</b> that the Head of Finance &amp; Corporate Services should confirm through the SFHA that Cube HA supports the proposal for Associations and Communities Scotland to be able to be set these contracts aside.</p>	
<b>8.6</b>	<b>Asset Management:-Granville St Proposed Lease to Link HA</b>	
	<p>The Head of Finance &amp; Corporate Services presented the report. He sought authority to grant a 10 year, full repairing and insuring commercial lease of the office and parking to Link Housing Association at an annual rental of £30,000, to be reviewed after 5 years.</p> <p>Andrew explained that the options are to let the premises as one unit or two separate units. He advised that the approach from Link is clean and simple without the complications of managing two small tenants who might not last the full 10 year term and lead to void loss and relet costs that would offset any potential rental uplift.</p> <p>Committee <b>approved</b> that:</p> <ol style="list-style-type: none"> <li>1. A 10 year lease be granted to Link Housing Association;</li> <li>2. Delegated authority for the Head of Finance to negotiate the lease and bring back a final draft for committee approval;</li> <li>3. The quotation for legal fees from Brechin Tindal Oats is accepted, and;</li> <li>4. The disposals register be updated as appropriate.</li> </ol>	

<b>9</b>	<b>GENERAL CORRESPONDENCE</b>	
	There was no correspondence.	
<b>10.</b>	<b>ANY OTHER BUSINESS</b>	
	There was no other business.	
<b>11.</b>	<b>DATE AND TIME OF NEXT MEETING</b>	
	The next meeting will be held on Thursday 5th July 2007, at <b>6 p.m.</b> in Skypark.	

**The above Minutes were read and agreed as a true record of the meeting.**

Signed..... Date.....