

**CUBE HOUSING ASSOCIATION LIMITED
SPECIAL MANAGEMENT COMMITTEE MEETING No. 166
(BUSINESS PLANNING AWAYDAY)
AT PREMIER INN, PAISLEY, GLASGOW
9TH FEBRUARY 2008, 10.00 A.M.**

Present:	Gordon Scott, Chairperson Frank Macfadden, Secretary Dougie Paton, Committee Member Liz Ruine, Committee Member Susan Holms, Committee Member David Birkmyre, Committee Member Rena Ross, Committee Member	Michael Paton, Vice Chairperson Bill Steen, Committee Member Jean Pringle, Committee Member Alan Ferguson, Committee Member Bob Turnbull, Committee Member Ellen McGowan, Committee Member Jackie Barnes, Committee Member
-----------------	--	--

Members in attendance: 88%

In attendance: Lynn McCulloch, Chief Executive
Willie Croft, Head of Regeneration
Sandra McLeod, Head of Housing
Andrew Hashmi, Head of Finance and Corporate
Kate Miller, Executive Officer (minutes)
Stephen Inglis, Neighbourhood Services Manager (item 2.1)

		ACTION
1.	APOLOGIES	
	Apologies were received from Stephen Smith and Lesley McInnes.	KM
2.	GOVERNANCE	
2.1	Creation of Neighbourhood Services Team	
	<p>The Chief Executive introduced the reports 2.1 and 2.1 (i) (tabled) and advised the proposals had been developed at the request of the Committee. She confirmed the preferred options could be achieved on budget and in partnership with Glasgow Community and Safety Services (GCSS).</p> <p>The Head of Housing and the Neighbourhood Services Manager presented information to the Committee detailing the background, and vision for the service. The Head of Housing confirmed there would be no additional cost to tenants; only owners would be liable to pay for any new service they may receive. She confirmed that consultation had taken place with residents, legal advisors and staff, and their responses had been taken in to account.</p> <p>Discussion took place on the benefits of a 7 day service; reacting to residents' requests; police and enforcement issues; and existing services paid by council tax. The Neighbourhood Services Manager confirmed GCSS were a not-for-profit organisation.</p> <p>Jean Pringle queried local staffing levels in the new caretaking structure.</p>	

	<p>The Head of Housing confirmed that full details, including overall numbers and shift patterns. She advised that this detail had been carefully considered and proposed by the working group, which included three members of Management Committee. The Chief Executive confirmed that the appropriate share of local Community Enforcement Officer resource levels would be discussed with each area.</p> <p>Susan Holms was concerned about potentially low levels of GCSS staff numbers at the cctv control centre. Frank Macfadden gave a descriptive account of cctv monitoring, information and intelligence gathering, and police response levels. Michael Paton asked about projected cctv equipment costs for future upgrades and the Chief Executive outlined item 3.2.2 of the report.</p> <p>The Management Committee approved the recommendations, applicable from 1st April 2008.</p> <ul style="list-style-type: none"> i) the partnership with Glasgow Community and Safety Services at a cost of £117,741 per year; ii) a new control room structure with the deletion of 10 Controller and 1 Team Leader posts and the introduction of 2 CCTV Review Assistants; a new 7 day Caretaking service with the deletion of 2 Team Leader posts and the introduction of 5 new Caretaker posts and 1 new Caretaking Services Officer, all as described in Section 4 of the report and subject to statutory consultation with affected staff and the application of the redundancy policy; iii) a new Common Area Cleaning service for the back stairs, common landings and landing windows in the 14, 18 and 26 storey MSF blocks in Wyndford/Collina St and recovery of the costs through a new service charge to the affected tenants and owners. <p>Mr Dougie Paton asked for his dissent to recommendation (ii) to be recorded.</p>	SMCL
2.1 (i)	Provision of Cleaning Services – Wyndford and Collina Street	
	<p>A supplementary paper containing the tender appraisal for the cleaning service was presented by the Head of Housing Services. After discussion, the Management Committee approved;</p> <ul style="list-style-type: none"> i) the acceptance of the tender of £65,520 + vat submitted by Caledonia Office and Window Cleaning Co. Ltd; ii) a service charge of £1.49 per week per property for the affected properties in Wyndford and Collina St from 1st April 2008. <p>The Neighbourhood Services Manager left the meeting.</p>	WC
2.2	Transfer of Sheltered Housing Services	
	<p>The Chief Executive referred Committee to the copy letter received from Glasgow City Council, requesting a time extension to the hand-over of sheltered services. She then referred Committee to the copy of her reply declining the request.</p>	

	The Management Committee noted the content of the letters.	
3.	REGENERATION	
3.1	Revision of Factoring Fees	
	<p>The Head of Regeneration presented the report and explained the annual fee exists to offset costs associated with managing the factoring service. He confirmed that the fee had been held at £75 since 2002, and that by increasing it to £96, Cube would be mid-range in cost comparison with other housing associations. Alan Ferguson asked why the fee had been held for so long and it was explained that there had been previous concerns about trading limits for charities which had recently been alleviated.</p> <p>The Committee gave approval for an increase of Cube's factoring fee to £96 for 2008/2009.</p>	WC
3.2	Electric Wet Central Heating Systems, Broomhill and Gorget	
	<p>The Head of Regeneration explained Committee had already agreed to allocate funds for the installation of central heating to properties in Broomhill and Gorget. In response to questions, he gave a brief description on how the wet electric system operates and has become more reliable and economic in recent years. He added that he is actively pursuing grants for energy efficiency and insulation to complement this investment, and would report back to Committee shortly in a separate report.</p> <p>The Committee approved the appointment of CK Heating to install Central Heating based on the prices contained within their tender document.</p>	WC
4	FINANCE AND CORPORATE	
4.1	Staff Salary Negotiations, offer of 3.25%	
	<p>The Head of Finance confirmed in his verbal report, that the staffing sub-committee had discussed the pay offer in full. He also advised that the Trade Union representatives had agreed to help in reducing staff sickness and absence as part of the pay offer.</p> <p>The Committee approved a 3.25% increase to staff salaries from 1st April 2008.</p>	AH
4.2	30 Year Financial Plan 2008/09 Review	
	<p>The Head of Finance explained the importance of preparing a long term business plan to demonstrate to partners that Cube can meet its long term liabilities whether they be loan repayments or SHQS investment levels, and also the '3 years' promise on improvements. He gave a detailed presentation of the six principal changes from the 2007/08 plan and of the business plan assumptions for income and expenditure. He referred to the continuous cycle of void loss v's creating income, and referred to year 16 of the plan, where a low surplus was predicted. He also highlighted the change to the risk profile arising from the new strategy of borrowing to fund investment. In the past, borrowing had provided new homes i.e. physical</p>	

	<p>assets, but this change would gear up the Association and make the management of interest rate risk more important. He also demonstrated how higher inflation and further rent increases would benefit the cashflow, in particular the low year 16 surplus referred to earlier.</p> <p>He then recommended a further treasury management review be undertaken in conjunction with J C Rathbone Associates as part of the half year review and advised he would report back to Committee on the findings.</p> <p>The Management Committee:</p> <ul style="list-style-type: none"> i) approved the 2008/09 review of the Financial Business Plan as presented by the Head of Finance ii) noted the associated increase in projected borrowing and iii) approved the re-appointment of JC Rathbone Associates to undertake a review of interest rate risk management, with delegated authority to the Head of Finance to negotiate fees. 	AH
4.3	Additional £15m Loan Facility – The Royal Bank of Scotland	
	<p>The Head of Finance presented the report and confirmed that the Royal Bank of Scotland and Dunfermline Building Society, were the only lenders willing to offer keen terms in the current lending market. He advised Committee that costs for negotiating the loan documentation would be approximately £2,000.</p> <p>The Management Committee:</p> <ul style="list-style-type: none"> i) approved the facility and terms offered by The Royal Bank of Scotland ii) agreed to delegate authority to the Head of Finance to appoint and negotiate fees with T C Young, Solicitors to act on Cube’s behalf iii) agreed to delegate authority to the Head of Finance to work with T C Young, Solicitors to negotiate the loan documentation for final approval at a future management committee. 	AH
5	GOVERNANCE	
5.1	<p>The Chief Executive gave a verbal introduction to the existing Corporate Plan for 2007 – 2012, and highlighted the progress, priorities and performance to date. She referred in particular to improvements in rent arrears, factoring arrears, letting time and void rent loss, which meant Cube’s performance had improved significantly to around the Scottish average for housing associations.</p> <p>The Chief Executive spoke of the proposed new target figures and how these had emerged from management and staff planning days. Discussion took place on the priority tasks in appendices 1 and 2 and suggestions were made to add asset management and to identify several tasks as relevant to more than one year of the plan. The Chief Executive also presented the draft Governance Plan, which pulled together the actions agreed in the governance review. After discussion;</p>	

	<p>The Management Committee:</p> <ul style="list-style-type: none"> i) noted the progress and continuous improvement achieved; ii) approved the amended Corporate Priorities in Appendix 1 and; iii) the key performance targets for 2008/09 in sections 3.3 and 3.4, and; iv) the draft Governance Plan in Appendix 2. 	LMCC
7.	ANY OTHER BUSINESS	
	None.	
8.	DATE AND TIME OF NEXT MEETING	
	The next meeting will be held on Thursday 6 th March at 5.30 p.m. in Skypark.	

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

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