

CUBE HOUSING ASSOCIATION LIMITED
MINUTES OF THE MANAGEMENT BOARD MEETING No. 169
AT SKYPARK, 45 FINNIESTON STREET, GLASGOW
5TH JUNE 2008, 6.00 P.M.

Present: Gordon Scott, Chairperson
Michael Paton, Vice Chairperson
Bob Turnbull, Vice Chairperson
Liz Ruine, Board Member
Susan Holms, Board Member
Jean Pringle, Board Member

Lesley McInnes, Board Member
Jackie Barnes, Board Member
Frank Macfadden, Board Member
Dougie Paton, Board Member
Rena Ross, Board Member

11 Members present: 73%

In attendance: Lynn McCulloch, Chief Executive
Willie Croft, Head of Regeneration Services
Andrew Hashmi, Head of Finance and Corporate Services
Kate Miller, Executive Officer (minutes)

Not present: Stephen Smith, Board Member

		ACTION
1.	APOLOGIES	
	Apologies were received from Alan Ferguson, Ellen McGowan and Bill Steen.	KM
2.	DECLARATIONS OF INTEREST	
	There were no declarations of interest.	
3	MINUTES OF PREVIOUS MEETING	
3.1	Management Committee Meeting No. 168, 3 rd April 2008. The minutes were approved as a true record of the meeting. Proposed: Michael Paton Seconded: Liz Ruine Signed: Gordon Scott.	KM
4.	MATTERS ARISING	
	Item 8.1 – The Chief Executive confirmed an event was being held on 16 th June 2008 to sign off the partnership agreement with Glasgow Community & Safety Services. She reported Councillor Coleman would attend the event and encouraged members to confirm their attendance. Item 9.4 – The Head of Regeneration confirmed the Regeneration (Energy Efficiency) Manager post had now been filled. He also explained further developments in staffing i.e. the Regeneration (Development) Manager was now off on long term sick leave and there was a further vacancy; of Regeneration (Development) Officer. He reported that a temporary 1 year appointment had been made at Manager level instead of filling the Officer post, so that the management role could be both covered and complemented	

	<p>during a period of full then part time absence. He advised that the Officer post might have to be filled or covered at a later date and would be kept under review. The Board noted these arrangements.</p> <p>Item 10.1 – The Head of Finance and Corporate Services referred to the Finance and Regeneration meeting notes of 21st April 2008 and confirmed that the revised insurance policies arranged by broker Towergate Partnership had been put in place on a 3 year deal.</p> <p>Item 10.2 – The Head of Finance and Corporate Services advised that the Trading Standards Authority had visited head office in response to the Cube licence application and that he expected to hear from them in due course.</p>	
5.	COMMITTEE MINUTES	
	The following meeting notes were noted by the Board.	
5.1	Confidential, Audit & General Purposes Meeting No.1, 08.04.08, Draft	
5.2	Housing & Customer Services Meeting No. 1, 30.04.08	
5.3	Finance & Regeneration Meeting No. 1, 21.04.08	
5.4	MATTERS ARISING	
	<p>Item 5.1 The Chief Executive explained that as the Audit & General Purposes meetings are held quarterly, the notes of meeting No. 1 were in draft format. Lesley McInnes enquired on the progress of item 3.1 in the notes and this is recorded in a separate confidential minute extract.</p> <p>Item 5.2 None</p> <p>Item 5.3 None</p>	
6.1	Resignation of David Birkmyre	
	The Chairperson advised that Mr Birkmyre had offered his resignation due to the level of other (meeting) commitments he had and the Chief Executive advised she had already sent a letter of thanks to Mr Birkmyre. The Board noted the resignation of Mr Birkmyre from 5 th June 2008.	
6.2	Standing Orders – amendments from Committees etc.	
	The Chief Executive provided some background to the progress by Committees in revising this document and explained that the text in red highlighted current proposed changes. She referred in particular to increasing the number of members and reducing the quorum for Committees; transferring responsibility for repairs and factoring to the Finance and Regeneration Committee and making the membership policy a stand-alone document rather than part of the Standing Orders.	

	<p>She also explained the revised authorities proposed for staff. Discussion took place on the wording at appendix 1 page 9, and it was agreed to insert 'adhere to'. Clarification was also given that no members holding the vice chair positions would have more than one official position.</p> <p>The Management Board agreed to:</p> <ul style="list-style-type: none"> i) further amend the Standing Orders 2008 as detailed in the report and approved: ii) the job descriptions for Cube Office Bearers, and; i) the new delegation of authority to the Chief Executive and other staff. <p>The Board also agreed to appoint at least one additional member to each Committee in accordance with the amendments; and appointed:</p> <p>Liz Ruine Regeneration and Finance Committee Michael Paton Housing Committee Gordon Scott Audit and General Purposes Committee</p>	
6.3	Committee Membership, Vacancy on Housing and Customer Services Committee	
	The Chief Executive explained the vacancy arose as a result of Mr Birkmyre's resignation and it was agreed that Dougie Paton join the Housing and Customer Services Committee.	
6.4	Milton Community Homes – Cube Parent Director	
	<p>The Chief Executive introduced the report explaining the current Cube Parent Director, Frank Macfadden, was unable to continue in the role. Discussion took place on alternative methods of support to Milton and the Board decided:</p> <ul style="list-style-type: none"> i) to remove Frank Macfadden as parent director, and; ii) to replace him with another parent director from its own members. <p>Chairperson Gordon Scott indicated his willingness in principal to replace Frank Macfadden as Parent Director and would confirm his availability as soon as possible. The Board agreed to this appointment.</p>	LM
6.5	Milton Community Homes: Agendas and Minutes	
	The Board noted the business at Milton Community Homes.	
6.6	Management Board Meeting No. 172 2nd October 2008 – proposed date change to Wednesday 1st October	
	<p>The Chief Executive informed the Board of her request to amend the October 2008 meeting date.</p> <p>The Board agreed to the amended meeting date of Wednesday 1st October 2008.</p>	

6.7	Membership Profile & Applications	
	<p>The Chief Executive presented the report which detailed the current quotas of membership within Cube and also two new applications for membership. She explained the need to manage the risk of having more owner and individual members than tenants and discussion took place on refusing and encouraging membership.</p> <p>The Management Board agreed:</p> <p>a) that the Chief Executive revise the membership policy and bring options to the Board, including membership quotas for managing risk to the Association</p> <p>b) to approve the application for tenant membership including giving approval to issue a share certificate to which the Association's Seal will be affixed, and;</p> <p>c) to approve the application for owner membership including giving approval to issue a share certificate to which the Association's Seal will be affixed</p>	<p>LM</p> <p>KM</p> <p>KM</p>
6.8	Performance Reports – key indicators for April 2008	
	<p>The Chief Executive explained this was a new joint report for 2008/09 for use by Senior Managers and the Board, which aimed to provide benchmarking against peer and national targets. She confirmed gas safety and void re-lets were under performing against targets; however other areas were continuing to improve well. She highlighted the new category of tenants in serious arrears and new targets for the corporate and finance categories. The Board requested a change in descriptions to indicate a positive target e.g. changing 'staff absence - days lost' to "attendance".</p> <p>The Management Board discussed and noted performance in April 2008.</p>	<p>LM</p>
6.9	Annual Performance and Statistical Returns	
	<p>The Chief Executive reminded the Board that the APSR document was a detailed annual return to the Scottish Housing Regulator. She had also distributed the Cube April 2008 Team Brief internal newsletter, which gave an at-a-glance version of the key areas in the APSR. The Board was pleased with this confirmation of a continuing trend of improvement in key performance areas.</p> <p>Lesley McInnes suggested that the improvements in performance be translated into cash figures where possible, as this would help translate the effects for staff and the Board. The Chief executive suggested this could be included when reviewing performance at the annual Cube conference.</p> <p>The Management Board approved the submission of the Annual Performance and Statistical Return.</p>	<p>LM</p>
6.10	Conferences, Events for Management Board	
	<p>The Chief Executive explained the report aimed to formalise conferences attended by the Board as part of their training and development and referred</p>	

	<p>members to the list of events detailed in Appendix 1.</p> <p>That Management Board approved:</p> <ul style="list-style-type: none"> • the allocation of £5,850 from the Board training budget for 9 places; 3 to each Committee • the recommended conferences as detailed in appendix 1 • that the individual Committees should identify the conferences and members to attend on their behalf 	KM
7.1	Sheltered Housing Transfer – TUPE Indemnity Agreement with Trust Housing Association	
	<p>The Chief Executive explained the urgency of approval for the indemnity agreement had called for the use of emergency powers. She explained the Board was now asked to agree a decision made in accordance with delegated authority.</p> <p>On considering the report, the Board homologated the decision made by the Chair and Vice Chairs for the Chief Executive to sign the Indemnity Agreement, which formally states that Cube will take liability for any employment related concerns which happened prior to the TUPE transfer of staff to Trust Housing Association.</p>	
7.2	Vacancy – Head of Finance & Corporate Services	
	<p>The Chief Executive referred the Board to the copy correspondence from the Scottish Housing Regulator, confirming that it had been notified as required of the forthcoming vacancy at Head of Finance and Corporate Services. She also informed the Board that response to recent advertising of the post had been poor and advised that the closing date for applications had been extended to 13th June to encourage more applications. She referred the Board to the notes of the Audit & General Purposes committee on page 15, regarding the need to obtain supplementary temporary advice from a consultant.</p> <p>The Management Board noted the information on the vacancy.</p>	
9	REGENERATION	
9.1	Development & Asset Management Strategy Review	
	<p>The Head of Regeneration advised the Board that staff had devised the draft of a new strategy in response to factors such as Firm Foundations and staff changes within the department. His presentation outlined 3 main questions:</p> <ul style="list-style-type: none"> • should Cube Housing Association continue to develop new sites for affordable housing? • if yes, how should the development and asset management services be resourced, i.e., in house, in partnership or outsourced? • what will our staffing needs be in the immediate and longer term? <p>He advised the ideas presented were now open to discussion and further development.</p> <p>The Board agreed to remit the consideration of the strategy to the Finance & Regeneration Committee for recommendations to be made to the Board.</p>	WC

10.1	Loan Facility £15m, Royal Bank of Scotland	
	<p>The Head of Finance and Corporate confirmed the loan documentation was now available for approval and signing. He explained that the terms on offer were based on pre-credit crunch financial conditions which could not be improved on in any way. He referred the Board to the key features outlined in his report, in particular the arrangement fee of £22,500 and the option of a 10 year capital re-payment holiday. Lesley McInnes also commented on the excellent terms on offer from the Royal Bank of Scotland.</p> <p>After due consideration of all the circumstances and on being satisfied that it is for the benefit of the Association and in the interests of the Association for the purpose of carrying on its business to enter into a facility agreement (the "Agreement") in the form now produced in respect of a facility of £15,000,000 from The Royal Bank of Scotland plc (the "Bank") it was resolved that Gordon Scott be authorised to sign on behalf of the Association the Agreement and any documents required by the Bank in connection with the Agreement.</p>	AH
10.2	Five Year Financial Projections – Scottish Housing Regulator	
	<p>The Head of Finance and Corporate Services explained to the Board that Cube is required to submit 5 year financial projections to The Scottish Housing Regulator to allow the Regulator to review viability and monitor trends. He confirmed the information due for return to the Regulator was simply a restatement of part of the 30 year business plan, which was already familiar to the Board.</p> <p>He highlighted the emerging losses, as planned, in 2008/09 and 2009/10 and confirmed that the Regulator would be comfortable with these considering Cube's investment plans. He also highlighted the increase in right to buy sales and commented that open market sales may be a future option for Cube within the new Development and Asset Management strategy just discussed. He advised the Board that the Finance and Regeneration Committee had previously discussed the report on these 5 year projections in May 2008 and recommended approval of the return to the Regulator.</p> <p>Considering the recommendations of the Finance and Regeneration Committee, the Management Board approved the return and the report, for submission to the Scottish Housing Regulator.</p>	AH
10.3	Interest Rate Hedging Strategy	
	<p>The Head of Finance and Corporate Services referred the Board to the the discussion at the February 2008 away day; when the changing borrowing profile, and therefore risk, following the decision to borrow £6m for investment purposes was considered. Risk could be managed by revisiting hedging arrangements on the loans and he had obtained further specialist advice, as agreed, from J C Rathbone Associates.</p> <p>The attached report by Rathbones had been presented in detail to the Finance and Regeneration Committee, who accepted that the Nationwide hedging, consisting of a £3m fix and a £5m forward starting cap, both be</p>	

	<p>broken and replaced with a £4m 10 year fix immediately. The Committee accepted the logic of the recommendation on “forward starting cancellable fixes” for the RBS facility but agreed that these would only be attractive if rates fell towards 5% and that that should be the maximum dealing rate at the time of fixing.</p> <p>Considering the recommendations of the Finance & Regeneration Committee, the Management Board approved:</p> <ul style="list-style-type: none"> • the restructure of the existing Nationwide fix and cap be executed but that the use of cancellable fixes on the RBS loan only be executed when rates are a maximum of 5%. • delegated authority to the Head of Finance and Corporate Services and the Convenor of the Committee to take advice from J C Rathbone and to execute the strategy 	AH
10.4	Granting of Standard Securities to Nationwide Building Society	
	<p>The Head of Finance and Corporate Services advised the Board that the list of developments and properties provided in the report had already been granted Section 66 approval on 31st January 2008 and that security on these developments and properties must now be pledged to the Nationwide to allow Cube to draw down its loan finance. He confirmed solicitors BTO had prepared the necessary documentation which was now available for approval and signing.</p> <p>It was resolved that the execution of the said Standard Securities are in the best interests of the Association and that the same be and are hereby approved and that the said Standard Securities should be executed and that after such execution the said Standard Securities should be delivered forthwith to the Bank.</p>	AH
11	HEALTH AND SAFETY	
11.1	Training Date/s for Board Members	
	<p>The Chief Executive confirmed the Board had already agreed to undertake health and safety training and that this report offered 3 attendance options for the Board to decide on. The Head of Finance and Corporate confirmed the importance of all Board members receiving training, particularly in relation to new corporate manslaughter legislation.</p> <p>The Management Board agreed to option 1 outlined in the report, with a provisional date of Thursday 3rd July at 6.00 p.m. being arranged (and subsequently confirmed).</p>	KM
12	GENERAL CORRESPONDENCE	
12.1	The Board noted the general correspondence detailed under items 12.1, 12.2 and 12.3.	
13	ANY OTHER BUSINESS	
	On behalf of the Board, the Chairperson offered his appreciation to the Head of Finance and Corporate Services for his services to Cube over the past 2	

	<p>years and offered best wishes and a good future to him and his family in their move abroad. He thanked him in particular for the great achievements of a 30 year business plan and the excellent RBS loan arrangement.</p> <p>The Head of Finance and Regeneration thanked the Board for their comments and confirmed he had enjoyed getting to know the Board and staff and had made good friendships in the time he had been with Cube. He said that while he was sorry about moving on – he felt that he was leaving the Association in good financial health.</p>	
14	DATE AND TIME OF NEXT MEETING	
	The next meeting will be held on Thursday 7 th August 2008 at 6.00 p.m.	

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

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