

**CALEDONIA HOUSING ASSOCIATION LTD**

**MINUTES OF THE MANAGEMENT BOARD MEETING  
HELD ON WEDNESDAY 9 SEPTEMBER 2020 AT 6.00PM  
BY VIDEO CONFERENCING**

**Present:** Penny Coburn Chair  
Alan Nairn Vice Chair  
Mary Clark  
Alex McDougall  
Andrew Richmond

**Special Leave of Absence:** Ian Gray

**In Attendance:** Julie Cosgrove Chief Executive  
Leigh Grubb Director of Finance and Governance  
Andrew Kilpatrick Director of Assets  
Tim Calderbank Director of Operations  
Garry Savage Director of Strategy & Innovation  
Barry Johnstone Director of People  
  
Jenny Dalton Governance Officer (Minutes)

**101.20 Apologies**

Apologies were **NOTED** from Helen Archibald, Graham Logan and Lindsay Darroch.

**102.20 Declaration of Interest**

There were no declarations of interest.

**103.20 Minutes of the Management Board Meeting held on Tuesday 18 August 2020**

The Board agreed that the minutes of this meeting were a true and accurate record and they were **APPROVED** by the meeting.

**104.20 Matters Arising**

There were no matters arising that were not dealt with elsewhere on the Agenda.

**ITEMS for DISCUSSION and/or APPROVAL**

**105.20 Chief Executive's Report**

The Chief Executive highlighted a number of areas in her report as follows:

Annual Assurance Statement

The Scottish Housing Regulatory (SHR) had extended the deadline for submission of the Annual Assurance Statement (AAS) to the end of November for this year only. In order to meet this deadline and provide sufficient time for the Management Board to consider and approve the

submission, it was proposed to re-convene the Governance Working Group (GWG). The Chief Executive advised that the Bellsmyre and Cordale Management Committees had approved this proposal at their meetings held on 7 and 8 September 2020 respectively. The Management Board **APPROVED** the proposal and **NOTED** that arrangements would be made for the GWG to meet in early October with the aim of making a recommendation to the Group's governing bodies prior to the date for submission.

### Business Continuity Update

*Repairs* – work was underway to clear the backlog of non-emergency repairs that had accrued during the lockdown with approximately 70% of these repairs having been completed by contractors.

*Allocations* – housing homeless people was a key priority for the Scottish Government as it was for the Caledonia Group and consequently approximately one-third of the properties let since April 2020 had been to homeless applicants.

*Rental Income* – overall rental income collected remained at 96% of the rental income due at the end of August.

*Staff Cover* – over recent weeks, due to staff absences and vacancies, cover at some very sheltered developments had been more difficult to arrange from the internal staff complement. Additional cover from external agencies had been arranged to ensure that the levels of service within very sheltered developments were maintained.

*Tenants Safety* – all outstanding gas safety inspections had been undertaken.

*Delegated Authority* – it was proposed to extend the amendment to the Group Scheme of Delegated Authority for a further 3 months to 23 December 2020 to allow the Executive Management Team to manage any instances of local lockdowns or a resurgence in the virus over the coming months. The proposal was **APPROVED** by the Management Board.

The Chief Executive informed Board members that she and other members of the SFHA's Members Response Group had recently met with the Minister for Local Government, Housing and Planning. The main topics covered related to Health and Care Support and the role of RSL's in supporting these services and delivery of the Energy Efficiency Standard for Social Housing (EESH2).

### Policy Review

Management Board members **APPROVED** the amendments to the undernoted policies as outlined in the report:

- Sickness Absence Management Policy
- Group No Smoking Policy
- Group Complaints Handling Policy
- Group Unacceptable Actions Policy

## 106.20 Audited Financial Statements and Audit Findings for the Year Ended 31 March 2020

### Annual Accounts 2019/20

The Director of Finance & Governance (DoFG) presented the 2019/20 Annual Accounts prepared and audited under the current FRS102 Financial Reporting Standard and the relevant Statement of Recommended Practice.

The Annual Accounts and Final Audit Findings Report had been reviewed and endorsed by the Audit & Risk Management Committee (ARMC) at its meeting on Monday 24 August 2020 where Kelly Adams of the External Auditors RSM had been in attendance. The accounts from 24 August 2020 had been subject of a final review by RSM and Caledonia HA Management, and a small number of largely typographical errors had been corrected. An annotated version of the accounts showing these minor amendments had been uploaded to Decision Time. The Bellsmyre and Cordale Management Committees had discussed and approved their annual accounts at the meetings held on 7 and 8 September 2020 respectively.

There were no material unadjusted errors contained within RSM's audit report, and none of the four internal control recommendations were considered to be significant. RSM noted the particular challenges both parties had faced this year that resulted in some cost overruns. The ARMC had already agreed the principle that 50% of any such costs would be borne by the Associations in the Group.

The DoFG explained that RSM had highlighted in their Final Audit Findings that consideration should be given to the disclosure of the Bellsmyre Transfer of Engagements (ToE) in next year's Caledonia Group accounts and an initial assessment of this was included with this report. The initial assessment was that the outcome of this disclosure would be positive. Although the outcome was based on broad assumptions, it was consistent with how the Antonine ToE had previously been treated.

The Management Board members noted that the SHAPS pension scheme assets and liabilities had not been adjusted in the accounts. The DoFG explained that the External Auditors approach had been to adopt the Annual Actuarial Assessment undertaken by SHAPS. Board members **AGREED** that the ARMC should be consulted on the approach to be taken in future years.

The Management Board **APPROVED** the Annual Accounts for 2019/20 as recommended by the ARMC. The Management Board also **REMITTED** the Chair to sign the Letter of Representation on its behalf.

## 107.20 Annual Report of the Group Audit & Risk Management Committee

The DoFG presented the report, which provided details of the work undertaken by the Group ARMC during the 2019.20 financial year. He reminded Board members that they had the opportunity to review and challenge the work of the ARMC throughout the year as minutes of each meetings were presented to subsequent Management Board meetings together with the revised Corporate Risk Map for the Group.

The Board thanked the ARMC for the work it had carried out over the last 12 months and **NOTED** the contents of the report and attached appendix.

## 108.20 Bellsmyre Housing Association – Transfer of Engagements

The Director of Strategy & Innovation (DoSI) advised that the SGM held by Bellsmyre Housing Association on 7 September 2020 had achieved the required two-thirds majority vote in favour of the resolution to approve the transfer of engagements to Caledonia HA. The Caledonia Management Board **APPROVED** the following resolution to accept the ToE from Bellsmyre to Caledonia HA:

“that this meeting of the Management Board of Caledonia Housing Association Limited hereby agrees to receive and accept the transfer of the whole of the stock, property and other assets and all engagements of Bellsmyre Housing Association Limited in consideration of the Association issuing to each member of Bellsmyre Housing Association Limited paid up shares equal to the amount standing to the credit of each member in the share ledgers of Bellsmyre Housing Association Limited on the date when the transfer of engagements becomes effective.”

As previously advised to the Board, lenders consent to proceed with the transfer of engagements was also required under the terms of our existing loan arrangements. GBSH had already provided written consent to the transfer and required no further formal documentation from Caledonia. Consent letters from the other three lenders (RBS, Bank of Scotland and Nationwide) had been agreed by both parties' legal advisors and were to be signed by the DoFG. To allow the DoFG to sign the consent letters, authorised resolutions consenting to the ToE and authorising the DoFG to sign the consent letters were required to be prepared and signed by the Chair on behalf of the Association. Copies of these documents were included with the report.

A second SGM will be held by Bellsmyre HA on 23 September 2020 to confirm the resolution to the ToE, which will require a straight majority in favour of the decision. Following this, Bellsmyre is required to submit an application to register the resolution with the Financial Conduct Authority (FCA) and confirm the approval of Caledonia to the ToE. Members were asked to **NOTE** that an Officer Bearer representative of the Management Board would be required to complete Section 4b of the FCA's Transfer of Engagements Form in front of a solicitor, a commissioner for oaths, notary public or justice of the peace. It was therefore **PROPOSED** that authority to sign this section be delegated to the Chair of the Management Board. Arrangements for the signing of the document would be confirmed with the Chair.

The Management Board members:

- **APPROVED** the resolution to accept the Transfer of Engagements from Bellsmyre Housing Association;
- **DELEGATED** the Chair to sign the declaration in the Financial Conduct Authority's form;
- **APPROVED** the draft resolutions relating to the lender consent letters, including the associated note relating to the approval of the Transfer of Engagements.

## 109.20 Development Project Risk Appraisal – Burrelton Phase 3

*This section of the minutes is confidential as it is commercially sensitive and publication would harm commercial interests.*

**ITEMS for INFORMATION**

**110.20 Rule 68 Update**

The Board **NOTED** that Rules 62 to 67 of the Association’s Rules had been followed, with the exception of obtaining the signature of the Chair on the Management Board minutes, which had not been possible since lockdown restrictions began in March 2020. Members **NOTED** that this would be rectified as soon as restrictions were eased.

**111.20 Draft Minutes of the Audit & Risk Management Committee Meeting & Corporate Risk Map: Monday 24 August 2020**

The minutes and Corporate Risk Map were **NOTED**.

**112.20 Draft Minutes of Bellsmyre and Cordale HA Committee Meetings held in August 2020**

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**113.20**

The draft minutes of the Cordale and Bellsmyre Management Committee meetings were **NOTED**.

**114.20 Any Other Business**

The Chair noted that this was the last Management Board meeting before her retiral and thanked Board members, past and present, for their support and commitment. The Chair remarked on the achievements that had taken place during her time on both Perthshire Housing Association’s Management Committee and the Caledonia Management Board. This included the merger of Perthshire and Servite to create Caledonia, the partnerships with Cordale and Bellsmyre, and the transfer of engagements of Antonine and the forthcoming ToE of Bellsmyre. The Chair also thanked the Executive Management Team for their support and professionalism.

On behalf of the Executive Management Team, the Chief Executive thanked the Chair for her support and contribution to the Management Board and wished her well for the future.

The Vice Chair thanked the Chair for her sterling work in leading the Management Board and passed on good wishes for her retirement. This was endorsed by the remaining Board members.

It was **NOTED** that the Special General Meeting and Annual General Meeting would be held on Monday 21 September 2020 commencing at 2.45pm.

It was further **NOTED** that a short supplementary Management Board meeting would be held immediately following the conclusion of the Annual General Meeting to appoint office bearers.

Chair’s Signature .....