

CALEDONIA HOUSING ASSOCIATION LTD
MINUTES OF MANAGEMENT BOARD MEETING – 26 FEBRUARY 2019 – WEBSITE VERSION

IN ATTENDANCE

Board Members:	Penny Coburn Alan Nairn Alex McDougall Martin Harkness	Chair Vice Chair	Ian Gray Veronica Lynch Helen Archibald Lindsay Darroch
----------------	---	---------------------	--

Apologies: Elaine O'Brien

Absent: Graham Logan

In Attendance:	Kirsty Anderson Julie Cosgrove Ron Hunter Garry Savage Barry Johnstone	Scottish Housing Regulator Chief Executive Finance Director Business Services Director Area Director	Tim Calderbank Andrew Kilpatrick Gill Donoghue Angela Murphy Jenny Dalton	Operations Director Asset Management Director Head of Support Services Finance Manager Executive Officer (Minutes)
----------------	--	--	---	--

The Chair welcomed Kirsty Anderson to the meeting and asked Board members and staff to introduce themselves.

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
Apologies		Apologies were NOTED from Elaine O'Brien
Declaration of Interest		Ian Gray declared an interest in relation to the Rent Increase Proposals and Consultation Outcome to be considered at Agenda Item 30/19. Whilst Ian could remain in the meeting when rent increase proposals were discussed and comment on any issues raised he could not vote should any decision be required.
Minutes of the Management Board Meeting held on Tuesday 30 January 2019		Alex McDougall advised that his comment regarding the Management Accounts Report referred to "interest cost" and not "interest cover" as stated in the minutes. The Board agreed that the minutes should be APPROVED subject to this amendment being made. The minutes were duly adopted with the Executive Officer to arrange for them to be signed by the Chair.
Matters Arising		There were no matters arising that were not dealt with elsewhere on the Agenda.

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
<p>Rent Increase Proposals and Consultation Outcome</p>		<p>The Operations Director referred to the tenant consultation exercise that had been undertaken, based on a rent increase of 2.4% as discussed by the Board in January 2019.</p> <p>The consultation exercise generated 325 responses, which represented close to a 10% response rate and was a slightly lower response rate than the previous year. Whilst the response was generally favourable, a higher level of dissatisfaction was expressed by e-survey respondents compared to those who responded by post. This was similar to other surveys and it was felt that this reflected the views of younger tenants who were more likely to respond to this style of survey.</p> <p>Specific comments from tenants were appended to the report and had been anonymised as the Board had requested. The Operations Director also advised that, where a respondent had made a specific service request or mentioned a maintenance issue, a direct response would be provided.</p> <p>Separate consultation exercises were undertaken with the residents at Bowerswell Memorial Homes and the residents of the former Antonine Housing Association properties in Kirkintilloch. There were no adverse comments received from the Bowerswell residents regarding the rent increase proposal, which was in line with the five year rent harmonisation proposal agreed in 2018. There was also no adverse comments received from the former Antonine Housing Association residents regarding the rent increase proposal for Kirkintilloch, which was in line with the Transfer of Engagements agreement.</p> <p>Following the annual review of service charges, overall these had increased by an average equivalent to 5%; however the Operations Director explained that in many cases this represented an increase of only a few pence per week. Within the Retirement and Sheltered housing provision the increase had been influenced by the reductions in Supporting People grant funding received compounded by an increase in living wage salaries for staff working in these schemes. Within general needs and supported housing, the increase was due to an increase in cleaning costs related to the living wage salary increase for Estates Service staff, an increase in the cost of grounds maintenance in some areas and an increase in the costs of servicing and maintenance of communal facilities.</p> <p>Following consideration of the report, the Board APPROVED the following recommendations for 2019/20:</p> <ul style="list-style-type: none"> • The rent increase of 2.4%. • The service charge increases outlined in the report. • The rent harmonisation increase at Bowerswell Memorial Homes based on the approved Caledonia rent increase of 2.4% plus an additional £3.50 per week. • The rent increase for the former Antonine Housing Association properties in Kirkintilloch in line with the Transfer of Engagement agreement at 2.4% for the 1 and 2 apartment properties and a rent freeze for the 3, 4 and 5 apartment properties.

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
<p>Business Plan 2019-24</p>		<p>The Business Services Director presented the Business Plan 2019-2024 which, as previously agreed by the Board, had been developed as a single combined document for the Group's three Associations. Information on specific local operational priorities relating to all three Associations was included in the Plan. The Plan had been considered by both Bellsmyre and Cordale's Management Committees earlier in the month and their comments had been incorporated into the document.</p> <p>As agreed by the Board at the January meeting, the Business Plan 2019-2024 continued to focus on the four existing strategic initiatives and to build on the progress made with these initiatives over the past year. The Plan included the two strategic initiatives identified at the Group Strategy event in November 2018; namely to progress the Bellsmyre regeneration proposals and develop and implement revised governance arrangements for the Group. It also incorporated the two further initiatives proposed at the January Board meeting regarding the implementation of the Group Asset Management Strategy and the fundamental review of the Rent Policy.</p> <p>The Business Services Director advised that Section 9 of the Plan had been updated to incorporate the results of the sensitivity analysis and information received from the Scottish Housing Regulator (SHR) on Brexit.</p> <p>As in previous years, updates on the progress of the implementing the initiatives would be provided to the Group governing bodies on a quarterly basis with progress on the specific operational priorities of each Association being reported separately.</p> <p>The Board discussed the recent issues with repairs service delivery across the Group. The Asset Management Director explained that it was the intention to review the Procurement Strategy in late spring to determine how best to provide the service over the Group's wide geographic area. The Chief Executive explained the difficulties of using smaller contractors to provide this service due to their inability to respond within the required timescales, provide out of hours service etc.</p> <p>The Vice Chair queried how the Group ensured that all the issues identified in the SWOT and PEST analysis within the Business Plan were addressed. The Business Services Director advised that identified major risks were incorporated into the Group Risk Register reported to the Audit & Risk Management Committee and the Board on a quarterly basis with major issues reported in the Chief Executive Report or quarterly Management Report. The remaining issues were incorporated into Departmental Risk Register and Departmental Plans. At the Vice Chair's suggestion it was AGREED that the Group's strengths and successes should also be recognised and reported to the Group governing bodies.</p>

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
		<p>The Management Board then APPROVED the Group Business Plan 2019-24 and NOTED that a corporate branded summary version would be produced for stakeholders, tenants and other customers in due course.</p>
<p>Budget for the Five Year Period to 31 March 2024</p>		<p>The Finance Director reminded the Board that the draft budget, based on the 2.4% rent increase and cost of living increases for 2019/20 for Caledonia staff being approved, had been considered at the January Board meeting. The rent increase had been approved at Agenda Item 30/19 above and the Chair of the Remuneration Committee confirmed that the cost of living increase had been approved and therefore the draft budget was now presented for approval.</p> <p>The Finance Director explained that there were three events that had the potential to change the Group cost structure and these were - the proposed transfer of engagements relating to Bellsmyre HA; the finalised proposals relating to the Bellsmyre re-generation project; and the implementation of the new Customer 1st Group structure. It was therefore proposed to re-draft the current five year budget projections for each Group entity to accommodate these events and any other issues such as the outcome of Brexit at the mid-year point, i.e. 1 October 2019. Up until this point however the current budgetary control procedures and production of quarterly management accounts would be maintained.</p> <p>The Finance Director then outlined the scenarios used in the sensitivity analysis to test the Group members' financial resilience and highlight what changes to current budget assumptions would have the most significant effects. He advised that sensitivity analysis would continue to be carried out to test issues such as Brexit to ensure the Group members continued to meet lenders covenants and generate year on year surpluses.</p> <p>The Board APPROVED the budget projections and assumptions for the five year period to 31 March 2024.</p>
<p>Cordale Budget for Five Year Period to 31 March 2024</p>		<p>The Chief Executive advised that the budget had been considered by Cordale's Management Committee at its meeting on 19 February; however in line with the Intragroup Agreement, the budget could not be adopted until it had been approved by the Caledonia Management Board.</p> <p>The Board APPROVED Cordale's budget for the five year period to 31 March 2024.</p>
<p>Bellsmyre Budget for Five Year Period to 31 March 2024</p>		<p>The Chief Executive advised that the budget had been considered by Bellsmyre's Management Committee at its meeting on 18 February; however in line with the Intragroup Agreement, the budget could not be adopted until it had been approved by the Caledonia Management Board.</p>

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
		The Board APPROVED Bellsmyre's budget for the five year period to 31 March 2024.
Business Performance Quarter 3 Update		The Business Services Director presented the business performance results for the third quarter to 31 December 2018 and advised that 28 applicable performance indicators were measured as being on target with 15 measured as below target. Work would continue in the last quarter of 2018/19 to improve performance. Proposals for Key Performance Indicators in 2019/20 would be reported to the Board in April
Applications for Membership		The Board APPROVED the applications for membership from Susan Murdoch and Thomas Conroy.
Development and Planned Maintenance	Site Acquisitions	The Asset Management Director explained that, as a result of underspend on other projects, the Scottish Government and local authorities had requested that Caledonia try to accelerate some site acquisitions prior to the end of the financial year. Negotiations with developers were ongoing and valuation figures awaited and therefore, as there was no Management Board meeting in March, he requested that the Board delegate authority to a representative group to consider the project appraisals to enable the purchases to be progressed. Any decision would then be reported to the Management Board meeting in April. The Board DELEGATED AUTHORITY to Martin Harkness, Alex McDougall and Ian Gray to consider the project appraisals with any meetings to be arranged through the Executive Officer.
	Crieff Road, Perth	The Asset Management Director advised that a meeting with the Scottish Government and Perth & Kinross Council had been arranged for 7 March 2019 and that the outcome of this meeting would be reported to the April Board meeting. The Board NOTED the remainder of this report.
Implementation of the Housing (Scotland) Act 2014		The Board NOTED the update on the implementation of the Housing (Scotland) Act 2014 including the use of new model tenancy agreements for Scottish Secure Tenancies and Short Scottish Secure Tenancies. The Board also APPROVED the following policies that had been amended in line with the legislative requirements of the Housing (Scotland) Act 2014: <ul style="list-style-type: none"> • Recovery of Adapted Property Policy • Anti-Social Behaviour Policy • Short Scottish Secure Tenancy Policy • Policy on Assignations, Subletting, Succession, Joint Tenancy and Lodgers

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
Minutes of the Health & Safety Committee Meeting held on Wednesday 23 January 2019		Ian Gray advised that due a change in date he had been unable to attend this meeting. The minutes were duly NOTED .
Draft Minutes of Bellsmyre HA and Cordale HA January 2019 Management Committee Meetings		The draft minutes were NOTED .
Any Other Business		It was NOTED that the next training session on understanding Annual Statutory Financial Statements would be held in the Perth office on Tuesday 19 March 2019. It was NOTED that the next Management Board meeting would be held on Tuesday 16 April 2019 in the Association's Dundee Office.

There being no other business, the meeting was concluded.