

**CALEDONIA HOUSING ASSOCIATION LTD**  
**MINUTES OF MANAGEMENT BOARD MEETING – 29 JANUARY 2019 – WEBSITE VERSION**

**IN ATTENDANCE**

Board Members: Penny Coburn Chair Ian Gray  
 Alex McDougall Helen Archibald  
 Martin Harkness Lindsay Darroch  
 Elaine O'Brien Graham Logan

Apologies: Alan Nairn Vice Chair  
 Lorna McCurrach

Absent: Veronica Lynch

CHA Staff: Julie Cosgrove Chief Executive Tim Calderbank Operations Director  
 Ron Hunter Finance Director Andrew Kilpatrick Asset Management Director  
 Garry Savage Business Services Director Gill Donoghue Head of Support Services  
 Barry Johnstone Area Director Angela Murphy Finance Manager  
 Iain Baxter Head of Innovation & Change Jenny Dalton Executive Officer (Minutes)

BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
<b>Apologies</b>		Apologies were <b>NOTED</b> from Alan Nairn & Lorna McCurrach
<b>Declaration of Interest</b>		Ian Gray and Elaine O'Brien declared an interest in relation to the Rent and Service Charge Setting Policy and rent increase consultation proposals to be considered at Agenda Item 13/19. The Chair reminded members that whilst Ian and Elaine could remain in the meeting when rent increase proposals were discussed and comment on any issues raised they could not vote should any decision be required.
<b>Minutes of the Management Board Meeting held on Tuesday 11 December 2018</b>		Martin Harkness requested that the wording of Item 180/18 – Crieff Road, Perth be amended to make it clear that given the time and cost already incurred on the project the decision would be made to walk away should additional funding not be forthcoming. It was agreed that the minutes of this meeting were a true and accurate record and they were <b>APPROVED</b> subject to the suggested amendment being made. The minutes were duly adopted and the Executive Officer would arrange for them to be signed by the Chair.
<b>Matters Arising</b>	<i>Item 180/18 – Crieff Road, Perth</i>	The Asset Management Director advised that he was still awaiting a reply from the Scottish Government regarding his application for additional funding.

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
<b>Draft Minutes of Audit Committee Meeting &amp; Corporate Risk Map: Wednesday 12 December 2018</b>		The Board <b>NOTED</b> the intention to significantly revise the Corporate Risk Map and the change of name of this Committee to Audit & Risk Management Committee to better reflect its responsibilities
<b>Management Accounts to 31 December 2018</b>		<p>The Finance Manager provided a general overview of the financial performance of the Association over the nine month period to 31 December 2018. Variances between actual and budgeted income and expenditure were detailed in the report. However the Finance Manager highlighted the increase in home help service income, the projected overspend in relet repairs and the major repairs underspend. The Board noted that a revised planned maintenance programme, taking account of the new fire legislation requirements, was now in place and that the annual spend was forecast to track on budget.</p> <p>Alex McDougall noted that the lending covenant based on the forecast was tight. He referred to the underspend in interest cost and queried whether it was likely that this would still be light given the development programme. The Finance Manager advised that it was unlikely that the Association would draw down again before the end of the financial year and that amounts forecasted were prudent. The Finance Manager also advised that there were other areas where there could be potential underspend that could result in the covenant being more favourable, such as the planned maintenance programme.</p>
<b>Draft Budget for the Five Year Period to 31 March 2024</b>		<p>The Finance Director presented the budget notes and detailed draft five year budget for the period 2019-24 and advised that the finalised budget would be presented to the Management Board in February for approval. He advised that the draft budget was based on a rent increase for 2019/20 of 2.4% as set out in the Rent and Service Charge Setting Policy and Rent Increase Proposals Report later on the Agenda.</p> <p>The proposed budget was based on the existing directorate structure; however all potential costs associated with the Customer First programme including salaries, severance payments, additional recruitment and training had been incorporated. The Finance Director explained that these costs would be apportioned across the new directorate structure as this progressed.</p> <p>As progress regarding the Transfer of Engagements from Bellsmyre to Caledonia was at an early stage, Bellsmyre would continue to be treated as a stand-alone subsidiary and was not included within the proposed budget. However the Bellsmyre regeneration proposals and associated development costs had been included.</p> <p>The Finance Director concluded by advising that sensitivity analysis would now be carried out using a range of scenarios and the outcome presented with the finalised budget in February.</p>



.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
<p><b>Business Plan 2019/24 – Strategy Proposals</b></p>		<p>The Business Services Director referred to the Group strategy planning event in November 2018 when it was agreed that the Group should continue to focus on the four existing initiatives and build on their progress. Two new strategic initiatives for inclusion in the Business Plan had also been identified at the event; namely to progress the Bellsmyre regeneration proposals and develop and implement revised governance arrangements for the Group. He advised that, following further consideration of the strategy event outcomes, regulatory requirements and the recent Rent Policy consultation it was proposed to include two further initiatives within the Business Plan. The first related to including the implementation of the Group Asset Management Strategy given its importance to tenants and the Scottish Housing Regulator and the second related to a fundamental review of the Rent Policy as outlined earlier on the Agenda.</p> <p>The Business Services Director also advised that it was intended to produce a single combined Business Plan for the Group’s three Associations with specific local priorities identified within the combined Plan. The Plan would be presented to the Bellsmyre and Cordale Management Committees at their meetings in mid-February and to the Caledonia Management Board later the same month.</p> <p>The Management Board then <b>APPROVED</b> the strategy proposals for the Business Plan 2019/24.</p>
<p><b>Business Plan 2018/23 Implementation Plan – Quarter 3 Update</b></p>		<p>The Board <b>NOTED</b> the implementation plan progress for quarter 3.</p>
<p><b>Applications for Membership</b></p>		<p>The Board <b>APPROVED</b> the applications for membership from Mr &amp; Mrs Walker.</p>
<p><b>Revised Acquisition and Development Stage Project Appraisal for Morning Field Road, Slackbuie, Inverness</b></p>		<p>The Asset Management Director outlined the reasons for the revised development proposals in his report that had resulted in an increase in the number of residential units being proposed and a subsequent increase in development costs. The Board <b>NOTED</b> that the revised development proposal would result in a reduction in the Net present Value but that this was still positive.</p> <p>The Board then discussed the contractors’ proposal that the Association pay a deposit for the land on conclusion of the missives for the purchase and development of the site and the intention to pay this deposit in two stages in order to minimise the risk to the Association.</p> <p>The Board <b>NOTED</b> that detailed advice on this proposal had been taken from the Association’s solicitors who had confirmed that this arrangement had been used by another RSL for a similar transaction. After further discussion however the Board requested that the</p>

.BUSINESS ITEM	ISSUE	DISCUSSIONS AND DECISIONS
		<p>Asset Management Director take the advice of the Association's Tax Consultants, RSM prior to making the initial deposit payment to the contractor.</p> <p>The Board then <b>APPROVED</b> the purchase of the land for the new housing development as set out in the report subject to the Asset Management Director receiving positive advice from the Tax Consultants. The Board also <b>APPROVED</b> the recommendation that the Association enter into a Development Agreement with Robertson Partnership Homes for the design and construction of the development.</p>
<b>Draft Minutes of Bellsmyre HA and Cordale HA December 2018 Management Committee Meetings</b>		The draft minutes were <b>NOTED</b> .
<b>Late Paper – Control of Payments and Benefits</b>		The Management Board <b>APPROVED</b> the granting of a tenancy agreement as outlined in the report.
<b>Any Other Business</b>		<p>The Chief Executive advised that Our Power had gone into administration and that OFGEM would be appointing a temporary alternative energy provider in order that customers would not be affected. Customers would then have the option to move to another provider should they wish to do so. The Chief Executive confirmed that Caledonia's liability was limited to membership only.</p> <p>The Chair advised that Lorna McCurrach had tendered her resignation from the Management Board with immediate effect. Board noted Lorna's decision with regret and wished her well for the future.</p> <p>It was <b>NOTED</b> that the next Management Board meeting would be held on Tuesday 26 February 2019 in the Association's Perth Office.</p>

There being no other business, the meeting was concluded.