

**CALEDONIA HOUSING ASSOCIATION LTD
MINUTES OF THE MANAGEMENT BOARD MEETING
HELD ON TUESDAY 14 MAY 2019
AT 5 SOUTH ST JOHN'S PLACE, PERTH**

Present:	Penny Coburn Helen Archibald Alex McDougall Ian Gray	Chair
Apologies	Alan Nairn Lindsay Darroch Graham Logan Elaine O'Brien Veronica Lynch	Vice Chair
Special Leave of Absence	Martin Harkness	
In Attendance:	Julie Cosgrove Ron Hunter Tim Calderbank Andrew Kilpatrick Barry Johnstone Garry Savage Jenny Dalton	Chief Executive Finance Director Director of Customer Services Director of Assets Director of People Director of Strategy & Innovation Executive Officer (Minutes)

64/19 Apologies

Apologies were **NOTED** from Alan Nairn, Lindsay Darroch, Graham Logan, Elaine O'Brien and Veronica Lynch.

65/19 Declaration of Interest

There were no declarations of interest made relating to any of the items on the Agenda; however Alex McDougall advised that his brother-in-law had applied for the new Director of Finance and Governance post and therefore he would not take part in any discussion in relation to this item.

66/19 Minutes of the Management Board Meeting held on Tuesday 16 April 2019

The Board agreed that the minutes of this meeting were a true and accurate record and they were **APPROVED** by the meeting. The minutes were duly adopted and the Executive Officer would arrange from them to be signed by the Chair.

67/19 Matters Arising

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

CONFIDENTIAL ITEMS for DISCUSSION and/or APPROVAL

68/19 – These items are recorded in a separate confidential minute.

69/19

ITEMS for DISCUSSION and/or APPROVAL

70/19 Chief Executives Report

Terms of Reference – Customer First Working Group

The Chief Executive explained that it was proposed that the working group be extended beyond the current remit, which had been to oversee and support the development of a revised structure to deliver Customer 1st aims. It was also proposed that the Working Group would meet on a

quarterly basis rather than monthly. The Terms of Reference for the Working Group had been revised to reflect these proposals and were submitted to the Management Board for approval.

Terms of Reference – Governance Working Group

Terms of Reference had also been prepared for the short term working group to be established to review compliance with the revised regulatory framework. The Working Group would support each governing body in the Group to discharge its duties in relation to preparing its Annual Assurance Statement. The Chief Executive highlighted the proposal that the fourth member of the Working Group be drawn from Caledonia's Tenants Scrutiny Panel as this would be consistent with the principals of the regulatory framework, promoting a strong tenant voice and involve tenants in the scrutiny of our work.

The Management Board **APPROVED** both the revised Terms of Reference for the Customer First Working Group and the Terms of Reference for the new Governance Working Group.

Social Security – Implementing the Devolved Powers

The Board **NOTED** the findings of Audit Scotland's review of the implementation of devolved powers in relation to social security as outlined in the report.

Economic and Financial Update

The Chief Executive explained that she had included this update on interest rates and inflation and private finance for information purposes. The Finance Director also provided background information on Allia Impact Finance and explained that it was a Scottish Government initiative available to RSLs only.

Scottish Home Awards

The Chief Executive advised that the Muirton Regeneration Project in Perth had been shortlisted in two categories in this year's Scottish Home Awards. The awards dinner and ceremony would be held in Glasgow on Thursday 13 June and the Chief Executive advised that she, the Director of Assets and the Development Manager had been invited to attend as guests by the developer, Urban Union. The Finance Director advised that he and the ICT Manager had also been invited by one of the Association's IT software providers, Aareon, although the Finance Director had declined the invitation. Following a request from the Chief Executive, Management Board **APPROVED** these offers of hospitality.

Kirkintilloch Area Committee

The Board **NOTED** the update on the Kirkintilloch Area Committee meetings outlined in the report. The Chief Executive advised that, despite discussion at each meeting, no one from the Area Committee members had expressed interest in taking up the place reserved on the Management Board for the ex-Antonine Committee. It was proposed that if this was still the case by the time of the June Board meeting then the Area Committee should be advised that the reserved position would not be available and should anyone express interest after this point then the normal rules for electing and nominating to the Board would be followed. This was **APPROVED** by the Board.

Policy Review

The Board **NOTED** the changes made to the following Group policies as outlined in the report:

- Notifiable Events Policy
- Policy on Serious Complaints Against the Chief Executive
- Complaints Handling Policy

71/19 Sensitivity Analysis based on 30 Year Projections

The Finance Director reminded members that the five year budget approved at the February 2019 Board meeting had included sensitivity analysis information on 15 year financial projections. He explained that as part of its' Engagement Plan with the Scottish Housing Regulator (SHR) the Association was required to provide budget information based on 30 year financial projections by 31 May each year. This report had therefore been prepared for the Board's consideration prior to the information being submitted to SHR.

The Finance Director advised that even using conservative assumptions for rent increases, voids bad debts and loan interest, the base budget projections would allow Caledonia to meet all lenders covenants and generate year on year surpluses with or without the transfer of Bellsmyre HA into the Association. In all other cases the scenarios tested demonstrated that corrective action would be required if it became evident that the budget assumptions were not as predicted.

The Board members then discussed various scenarios that would result in mitigation being required and also considered a number of ways they could be resolved. It was agreed that in all cases early intervention and notification to the Management Board would be key in order that adjustments could be made as quickly as possible.

72/19 Business Performance 2018-2023 Quarter 4 Update

The Director of Strategy & Innovation presented the report that showed the fourth quarter and full year outcomes for 2018/19 with the exception of the 11 financial indicators, which would be presented to the June Board meeting. He explained that there had been an issue with the formula used within the scorecard and some indicators were showing as green (on or above target) instead of red (below) target. As a whole, annual performance in 2018/19 was similar to the previous year; however the Management Team would continue to monitor performance over the coming year.

The Board **NOTED** with some disappointment the indicators that had not reached target and questioned whether the targets that had been set were realistic. The Director of Strategy & Innovation advised that the targets would be considered further by the Management Team; following which he would report back to the Board.

The Board also **NOTED** that performance information for the former Antonine HA properties had been incorporated into the report and that these results would also be reported to the Kirkintilloch Area Committee.

73/19 Business Plan 2018-2023 Quarter 4 Update

The Director of Strategy & Innovation advised that to date 80% of the noted actions had been completed and that although good progress had been made a concentrated effort would be made to ensure all actions were completed.

The Chair queried the number of tenants making use of the self-service portal. The Director of Customer Services confirmed that steady progress was being made and that the portal was being further developed with an interactive repair function due to go live later in the month.

74/19 Annual Return on the Charter 2018-19 and EESSH Return 2018-19

The Director of Customer Services advised that details on waiting list applicants were not yet available from the Association's Common Housing Register partners and would be added to the document prior to submission.

The Director of Customer Services advised that the ARC also included the former Antonine HA properties and that the information maintained by Antonine HA was not as robust as that maintained by Caledonia and that this had affected a number of indicators in the ARC. The Regulator had been notified and had accepted that there were a number of gaps in the information and had requested that the comments made within the document reflect this position.

Following a query from a Board Member regarding stock condition surveys, the Director of Assets advised that 10% of the Association's housing stock was surveyed each year. He explained that although 40% of stock had been surveyed at the time the ARC was completed, the surveyors report had not been received therefore the figures reported were based on a 20% sample.

The Board also queried the number of properties stated as being in serious disrepair. The Director of Assets explained that properties that had only one component in need of replacement had to be included in this indicator as was the case with the 28 properties noted in the ARC. He advised that the properties were ex-Antonine HA properties that were currently undergoing windows replacement; however not all the replacements had been completed by 31 March.

The Board **APPROVED** the ARC and ESSH Returns and the recommendation that the Chief Executive be **REMITTED** to submit the Returns on behalf of the Association.

75/19 Complaints Handling Performance 2018/19

The Board **NOTED** the complaint statistics and the key development actions that would be undertaken during 2018/19.

76/19 Extension of Freedom of Information (Scotland) Act 2002 (FOISA) to RSLs

The Director of Strategy & Innovation presented the report and advised members that from 11 November 2019 RSLs will be classed as public bodies for the purpose of FOISA. He explained that historically Caledonia had operated within the spirit of the legislation and had actively published and made freely available a wide range of information about its activities, performance and decisions.

He explained that the extension of FOISA to RSLs would give tenants and other individuals a formal right, subject to various provisions and exemptions, to request information held by the Caledonia Group members. In some cases this could include information that was not currently made publicly available. The Group would have a duty to respond to such requests, and to do so within prescribed timescales. It would also have two further key statutory obligations, namely – to have a publication scheme and publish a Guide to Information; and a duty to provide reasonable advice and assistance to those requesting information. He also advised that the regulatory body for FOISA, the Scottish Information Commissioner (SIC) had produced a Model Publication Scheme (MPS), a copy of which was available in the document section of Decision Time for information, and it was the intention that Group members adopt the MPS subject to the approval of the governing bodies.

The Board **APPROVED** the adoption of the MPS without amendment and **NOTED** that a Group Action Plan had been put in place to guide preparations for compliance with the legislation and associated Codes of Practice across all three RSLs in the Group.

77/19 Development and Planned Maintenance Progress

Planned Maintenance Programme

The Director of Assets highlighted the reasons for the large underspend in the planned maintenance programme in 2018/19 as detailed in the report and advised that in order to assure members that spend was being monitored and controlled in future, more detailed targets for committed and actual spend would be included in all future Asset Department Reports to the Board.

The Board **NOTED** the actions that had been put in place to mitigate the impact the under-spend would have on the planned maintenance programme in 2019/20 but expressed concerned disappointment at the large amount of underspend. The Board stressed that every effort must be made to ensure the situation did not happen again.

77a/19 Additional Paper – Crieff Road, Perth

Members **AGREED** that consideration of this report should be postponed until the June Board meeting when more members would be present. The Chair requested that should members have any queries with regards the report that they contact the Director of Assets prior to the June Board meeting.

78/19 Acquisition and Development Stage Project Risk Appraisal – Montrose Road, Arbroath

The Director of Assets advised that the Association had been working with Stewart Milne Homes (SMH) to develop proposals for affordable housing on this site. An “in principle” agreement had been reached to proceed with the development on a “Design and Build” contract with them. The proposed housing mix would comprise 47 social housing and 14 shared equity properties as detailed in the report.

Following discussion, subject to receiving a satisfactory offer of grant from the Scottish Government. the Board **APPROVED** both recommendations as follows:

- the purchase of the land for the new housing development as set out in the report
- that the Association enter into a Design & Build Contract with Stewart Milne Homes for the design and construction of the development.

Items for INFORMATION

**79/19 – Draft Minutes of Bellsmyre and Cordale April Management Committee Meetings
82/19**

The Board requested that the Director of People pass on its congratulations to the Cordale staff in achieving Customer Service Excellence accreditation.

The draft minutes were **NOTED**.

83/19 Any Other Competent Business

Date of Next Meeting

It was **NOTED** that the next meeting of the Audit & Risk Management Committee would be held on Wednesday 22 May 2019 in the Association’s Perth Office.

It was **NOTED** that the next training session on Self-Assessment against the SHR’s Regulatory Standards would be held in the Perth office on Tuesday 28 May 2019 at 6 p.m.

It was **NOTED** that the next Management Board meeting would be held on Tuesday 18 June 2019 in the Association’s Dundee Office.

Chair’s Signature