

CALEDONIA HOUSING ASSOCIATION LTD

MINUTES OF THE MANAGEMENT BOARD MEETING
HELD ON TUESDAY 10 DECEMBER 2019
AT THE SALUTATION HOTEL, SOUTH STREET, PERTH

Present:	Penny Coburn	Chair
	Alan Nairn	Vice Chair
	Helen Archibald	
	Mary Clark	
	Lindsay Darroch	
	Ian Gray	
	Veronica Lynch	
	Alex McDougall	
	Andrew Richmond	
In Attendance:	Julie Cosgrove	Chief Executive
	Leigh Grubb	Director of Finance & Governance
	Garry Savage	Director of Strategy & Innovation
	Barry Johnstone	Director of People
	Andrew Kilpatrick	Director of Assets
	Tim Calderbank	Director of Customer Services
	Peter Broad	Development Manager (Observer)
	Jenny Dalton	Governance Officer (Minutes)

The Chair welcomed Andrew Richmond to his first Management Board meeting and introduced Caledonia's Development Manager Peter Broad who was attending the meeting as an observer.

173/19 Apologies

Apologies were **NOTED** from Graham Logan.

Post Meeting Addendum - Martin Harkness emailed his apologies to the Governance Officer shortly after the meeting commenced.

174/19 Declaration of Interest

There were no declarations of interest.

175/19 Minutes of the Management Board Meeting held on Tuesday 29 October 2019

The minutes were agreed as a true and accurate record and were **APPROVED** by the Board. The minutes were duly adopted and the Governance Officer would arrange for them to be signed by the Chair.

176/19 Matters Arising

Item 156/19 – Chief Executive's Report – Governance Review Group and Annual Strategy Review Members asked whether there was any feedback from the Away Day held by Cordale's Management Committee on 22 November 2019. The Director of Strategy and Innovation advised that the Cordale Management Committee had requested that the first half of the meeting be for members only to allow them to discuss governance issues and that staff members had joined the meeting thereafter. Members agreed that it was important that all Group governing bodies provide feedback on the Executive Management Team's business

strategy review outcomes and requested that full minutes of Cordale's members meeting be produced and circulated to all Group governing body members.

Item 156/19 – Chief Executive's Report – Group Audit & Risk Management Committee Membership The Chair of the Audit & Risk Management Committee advised that Ian Gray may be unavailable over the next few months, and in his absence, Helen Archibald may be asked to join the Committee on a temporary basis.

Item 165/19 – Development and Planned Maintenance Update The Chief Executive advised that she had heard nothing further from the YMCA since her meeting with their representatives on 25 October 2019. The Chief Executive would provide an update to the Management Board as soon as a response was received from the YMCA.

ITEMS for DISCUSSION and/or APPROVAL

177/19 Chief Executive's Report

Annual Assurance Statement

The Chief Executive explained that following the submission of the Group Annual Assurance Statement (AAS), Caledonia HA had been selected by the Scottish Housing Regulator (SHR) as one of ten Associations to take part in a thematic study on the preparation and experience of producing the AAS. Staff from SHR were due to visit on 17 December when they would meet with the Chair and Vice Chair as well as the Chief Executive and Director of Strategy and Innovation. SHR then aimed to produce a report in March 2020 that would summarise the findings from all of the visits and include positive practice and areas where improvements could be made. Each participating RSL would also receive individual feedback following the visits.

SHR had also announced the areas of risk that it would focus on as part of the AAS. These areas included service quality, rent affordability, homelessness, quality and maintenance of homes, tenant and resident safety, gypsy/travellers, financial health of RSL's and good governance of RSLs.

Cordale Staff – TUPE Transfer Proposals

As agreed at the October meetings of the Caledonia and Cordale governing bodies, Scottish Counsel's opinion had been sought on the scope of Cordale's constitutional powers to grant the guarantee requested by The Pensions Trust (TPT). Counsel's opinion was that Cordale did not have the power to grant the guarantee and further discussions with TPT had therefore taken place culminating in TPT agreeing to the transfer of the pension arrangements without this guarantee given the relative strength of Caledonia's covenant position. Cordale's lenders had been advised accordingly and had confirmed that they did not need to give their formal consent to the proposed arrangements. The pension transfer would now progress on the basis of the approval received at the October governing body meetings.

The TUPE consultation process would commence early in the New Year and it was anticipated that the transfer of staff and associated pension arrangements would be effective from 31 March 2020.

Perth Office Update

Work to install a damp proof screed on the ground floor had now commenced and it was anticipated that the office would be fully functional by the end of January 2020.

Governing Body Reports – Revised Standard Template

Board members discussed the draft standard report template attached to the report and **AGREED** Belismyre Management Committee's proposal that the key risks be highlighted earlier in the report. Board members **REQUESTED** that tenant consultation be noted separately from consultation with professional bodies and that a section be added referring to any other key documents relating to the report.

Health & Safety – Driving at Work Policy

Following a query from the Board, legal advice had been obtained as to whether this policy should apply to governing body members as well as staff. The advice received confirmed that the policy should focus solely on staff as, unlike employees, governing body members did not have specific hours of work and it would be difficult to determine when a member was driving exclusively in relation to Group business. Whilst the Caledonia Group would encourage its governing body members to follow the guidelines in the policy it could not compel them to do so.

Policy Review

The Board **NOTED** the minor amendments to the following policies as outlined in the report:

- Group Arrears Policy
- Shared Equity
- Shared Ownership
- Group CCTV & Surveillance Systems
- Group Adverse Weather Policy
- Group Protection of Vulnerable Groups and Criminal Record Checks

The Board **NOTED** the decision to defer the review of the Group Probation Policy until March 2020 to enable a wider and more thorough consultation with managers and team leaders to be undertaken.

As requested, the Board **APPROVED** deferral of the review of the Repairs and Maintenance Policy until early 2020. Members also **REQUESTED** that in future when revised policies were submitted to them for approval that amendments be shown in red to make it clear what changes had been made.

Governance Working Group – Outcomes Action Plan

Members **NOTED** the approach that would be taken to ensure the implementation of this Action Plan was monitored by the Group's governing bodies as outlined in the report. The Vice Chair stressed the importance of ensuring the actions were integrated into the work of the Group and not undertaken as a separate exercise.

Governance Review Group

Following discussion, Board members **AGREED** to reduce its representation on this Group from four to three and that the representatives would be Alan Nairn, Mary Clark and Penny Coburn. The Tenants Scrutiny Panel and the Area Committee would also be asked if they wished to appoint a representative to the Group.

178/19 Residential Care Unit, Leuchars, Fife

The Chief Executive referred to the August 2019 Management Board meeting when members agreed that the Association should consult with residents on the potential decommissioning of the care unit at Leuchars and report back on the outcome. The Director of Customer Services had since met with each resident and their relatives and/or representatives and had

also had meetings with individual members of staff, in conjunction with a member of the HR team.

Resident Consultation

Residents and their relatives/representatives had expressed concern about the potential closure and requirement to move, as many had not expected this scenario. It was also understood that there were few options within the surrounding area and those that were available were potentially more costly and perhaps not to the same standard as the present accommodation. A number of questions were asked around financial support with transport and removal costs, telephone disconnection and reconnection, redirection of mail and the Association not seeking to enforce the notice period. The Chief Executive confirmed that it was the Association's intention to meet all reasonable costs associated with each resident moving to alternative accommodation.

To date, five of the ten residents had made arrangements to move to alternative accommodation and the Association would continue to liaise with the remaining residents and the Fife Health and Social Care Partnership to obtain alternative accommodation for them.

Staff Consultation

Although staff were concerned about the situation, they acknowledged that there were a number of issues with regard to maintaining the service. Almost all of the staff had indicated that they would continue to work until the care unit was closed and this would assist greatly in maintaining the service and limiting reliance on agency staff.

Redeployment options were explored with each staff member, and any vacancies will be notified to the affected staff. During discussions staff had asked for clarification on the redundancy package, which would be considered further in conjunction with our employment legal advisors. To allow continuity of the service, staff had also requested that any available annual leave be carried forward to the next calendar leave and any holidays remaining when staff left would be included in the redundancy package. This request was **APPROVED** by members.

The recommendation to decommission the residential care unit at Leuchars was then **APPROVED** by the Management Board. Members **NOTED** that the unit would not close until all residents had found alternative accommodation and that the Association would be working closely with the Fife Health and Social Care Partnership to ensure this was found.

178/19 Strategy Review Outcomes

The Director of Strategy & Innovation presented this report which provided an overview of the key discussion points and outcomes from the recent EMT strategy review session and the subsequent briefing meetings with each of the governing bodies on these outcomes. These strategy sessions were the first stage in the business planning consultation process and further discussions on identified strategic priorities would be held with each governing body over the coming months. Staff and tenants would also be consulted as the process progressed.

The EMT would now use the feedback from the briefing sessions to further revise its review of the operating environment, proposals in relation to our business strategy and key strategic priorities and the identification and management of key business risks. This in turn would directly inform the drafting of the Group's Business Plan 2020-25 (and associated budget information) that would be presented at the governing body meetings in February 2020. The risks identified would be reflected in the development of the Group Business Plan for 2020-25 and would also be considered by the Audit and Risk Management Committee on an ongoing basis as part of their review of the Group Risk Map.

180/19 Business Performance 2019-20 – Quarter 2 Update

The Director of Strategy & Innovation presented the quarterly update on business performance, as measured against identified organisational Key Performance Indicators (KPIs) for 2019/20 and advised that the results presented were for the second quarter of the reporting year, covering the period 1 July to 30 September 2019.

Following a query from the Vice Chair regarding the trends in the targets that had not been met, the Director of Strategy & Innovation confirmed that they were not the result of a common cause but rather were for a number of reasons including issues with contractors, staff transferring to new posts, new employees etc. The Director of Strategy & Innovation advised that it would be the subject of increased focus by the EMT and managers going forward.

The Vice Chair also queried whether planned and reactive maintenance spend was on target and the Director of Assets advised that actual plus committed spend was just over 75% of budget as at the end of November 2019.

181/19 Schedule of Governing Body Meetings 2020

The Board **APPROVED** the proposed schedule of meetings for 2020.

182/19 Tenant and Resident Health & Safety

The Director of Assets presented this report and explained that its purpose was to provide assurance to the Management Board that the Caledonia Group meets its legal requirements and, in many instances, goes well beyond the minimum legal requirements to ensure tenant and resident Health & Safety.

Compliance statements for the following key areas where the Group had responsibilities in relation to tenant and resident Health & Safety were attached to the report:

- Asbestos
- Electrical Safety
- Fire Safety
- Gas Safety
- Legionella
- Lifting Equipment
- Portable Appliance Testing

Board members **NOTED** that the relevant legislation in each area also applied to staff, contractors and members of the public who visited or worked in properties owned and managed by the Group, and that there was large areas of overlap within the legislation. The compliance statements therefore covered the Group's obligations in relation to those groups as well as tenants and residents.

The Director of Assets advised that in order to minimise the risk to tenant and resident Health and Safety a number of measures had been put in place.

- As part of the recent company re-structure, a Technical Compliance Officer had been appointed. This Officer's principal role was to ensure that measures were in place, implemented, monitored and reported on. This would also involve updating measures when legislation or guidance was updated or when improvements were identified following reviews of these measures;
- A suitable qualified consultant would be appointed to review the compliance statements to ensure that they met all legislative requirements and best practice in these areas;

- Internal Audit reviews would be undertaken periodically of some or all of these measures as part of the Group Internal Audit Plan.

The Director of Assets advised that it was his intention to present an update report on tenant and resident health and safety to the Group governing bodies in February and August each year to provide the assurance required to sign off this area of the Annual Assurance Statement.

The Vice Chair queried whether the Technical Compliance Officer had similar authority to the Health, Safety and Wellbeing Officer that enabled him/her to go directly to the relevant governing body with any significant issues where necessary. The Director of Assets advised that he would ensure this was the case.

Following a query from Ian Gray, the Director of Assets advised that a Gritting and Snow Clearing Policy was currently in draft form and that the policy applied only to those areas used by staff to gain access to their place of work.

183/19 Acquisition and Development Stage Project Appraisal for Pace Hill, Milnathort

The Director of Assets explained that the Association had been working closely with the owners of this site to develop proposals for affordable housing of ten units. In order to mitigate their VAT position, the site owners had requested the transaction be conducted on a 'golden brick' basis. This would mean that the owners would begin the construction of the affordable homes up to an agreed stage at which point the site acquisition would complete and first valuation of the Design & Build contract would be paid. Caledonia would monitor works during this period to ensure compliance with the Design Guide.

Management Board **APPROVED** the following recommendations, subject to the Association receiving a satisfactory offer of grant from the Scottish Government:

- Purchase of the land for the new housing development as set out in the report.
- That Caledonia Housing Association enter into a Design & Build Contract with the site owners for the design and construction of the development.

184/19 Acquisition Stage Project Appraisal for Berryknowe Avenue, Chryston, North Lanarkshire

The Director of Assets explained that this site had been acquired by Antonine Housing Association in 2000 with ownership transferring to Caledonia HA following the Transfer of Engagements in 2018. Caledonia's Development team had established that the site was a viable option to take forward based on its location, topography, proximity to existing services and demand levels for housing in the neighbourhood. The proposal was to build nine affordable housing units on the site, one of which would be fully wheelchair accessible.

Management Board **APPROVED** the following recommendations, subject to the Association receiving a satisfactory offer of grant from the Scottish Government:

- That the Association complete the design process with the design team, neighbourhood team and planning authority.
- That the Association proceed with issuing the formal tender for the new build properties through Public Contracts Scotland.

It was **NOTED** that the estimated cost of all pre-contract fees was in the region of £50,000 and that these costs could potentially be abortive should the Association be unable to obtain tenders that represented value for money. Board members therefore **REQUESTED** that should pre-contract costs come close to this amount that this be reported to them to allow further consideration on the viability of continuing with the development.

POLICIES for DISCUSSION and/or APPROVAL

185/19 Group Procurement Policy

The Director of Assets presented the updated Group Procurement Policy and advised that the main adjustments to the previous version were as follows

- Roles and responsibilities revised to reflect recent organisational re-structure
- Reference to Scottish Housing Regulator standards of governance and financial management that came into force in February 2019
- Financial thresholds revised to tie in with Group Financial Regulations approved in August 2019

The Director of Assets advised that the Group's newly appointed Internal Auditors, MHA Henderson Loggie, would be carrying out a gap analysis of the Group's Procurement Policy and accompanying procedures in early 2020 and that subsequent recommendations would be fed into the Procurement Strategy.

ITEMS for INFORMATION

186/19 Draft Minutes of Health & Safety Committee Meeting held on Thursday 28 November 2019

The draft minutes were **NOTED**.

187/19 Draft Minutes of Bellsmyre and Cordale Management Committee October 2019 Meetings

188/19

The draft minutes were **NOTED**.

189/19 Any Other Business

The Director of People advised that it was proposed to update the Group Entitlements, Payments and Benefits Policy to include discretionary payments for staff up to a value of £50 as part of the Group's Employee Engagement strategy. This proposal was **APPROVED** by the Board members and the Director of Finance and Governance was instructed to update the Policy accordingly.

Alex McDougall referred to concerns raised with him by an Association member at the AGM in September 2019 on the subject of climate change and it was **AGREED** that the Chief Executive would provide a response to the Association member.

Members **NOTED** that a training session on Freedom of Information presented by Harper McLeod would be held at 6 p.m. on Thursday 16 January 2020 in the Salutation Hotel, Perth.

Members also **NOTED** that the next Management Board meeting would be held at 6 p.m. on Tuesday 28 January 2020 in the Association's offices in Broughty Ferry, Dundee.

There being no other business, the meeting was concluded at 8:00 pm.

Chair's Signature *P M C S M*