

**MINUTES OF THE JOINT GOVERNING BODIES' BOARD MEETING OF
CAIRN HOUSING ASSOCIATION AND ANCHO LIMITED
HELD ON THURSDAY 1 SEPTEMBER 2022 AT 4:00PM
VIA TEAMS**

Cairn HA
 Don Jamieson (Chair)
 Laurence Casserly
 Neil Wood
 Lizzie Crawford
 Douglas Reid
 Emma Pevenil
 Helen Barton
 Steven Travers

Ancho
 Bill Finlay
 Michael Donnelly
 Phyllis Rodgers
 Colin Love
 Steven Travers
 Angus Lamont

In Attendance: James McBride, Azets (*Item 6.1 only*)
 Jason MacGilp, Group CEO and Company Secretary CEO
 Derek Adam, Director of Finance and People Services DFPS
 Meg Deasley, Director of Property Services DPS
 Morag Boyter, Director of Business Services DBS
 Sean Connor, Director of Customer Services DCS
 David McLachlan, ICT and Digital Manager, ICTDM
 Carolyn Owens, Governance Services Manager GSM (*CHA Minutes*)
 Catherine Bradley, Governance Services Assistant GSA (*Ancho Minutes*)

	Item	Decision/ Action
1	CHA BOARD	
1.1	<p>Board Members only session</p> <p>Board Members of CHA & Ancho discussed the day’s agenda and the issues that should be given prominence in order to manage the meeting well and get best value from the time.</p> <p><i>Staff members joined the meeting.</i></p> <p>The Chair welcomed everyone.</p>	
1.2	<p>Apologies</p> <p>Apologies were received from CHA members Angus Lamont, Kenny Green and Bill Gillespie.</p>	Noted
1.3	Declarations Of Interest	

	Helen Barton declared an interest in item 6.2 <i>redacted</i> The Group CEO declared an interest in item 5.3, the Chair confirmed that all staff members would be asked to leave the meeting for the item.	Noted Noted
1.4	CHA (JGB) Minutes – 26 May 2022 Minutes of the Joint Governing Body Meeting of Cairn HA and Ancho held on 26 May 2022 were proposed by Don Jamieson, seconded by Lizzie Crawford and approved by the CHA Board.	Approved
1.5	Matters Arising None.	
1.6	Action Tracker None.	
2	CHA ITEMS FOR DECISION/APPROVAL	
3	CHA UPDATES	
3.1	Q1 Management Accounts The DFPS presented the accounts highlighting they were currently slightly ahead of budget, behind in planned maintenance spend, with an overall position showing a surplus of £383k which was ahead of budget by £160k. There were significant cash resources in the bank due to drawdown of the RBS loan prior to the year end, this was now on deposit and available for future development as required. In response to members’ questions the DFPS advised: - on service charge variances; work was ongoing, the income was behind potentially due to timing, costs were in line with this and further analysis was being conducted. There would be a full equalisation following the increase in provision at the end of September, so there would be a full I&E account for each individual Court and scheme to identify projections to year end. - on the issue of writing-off £258k of service charge and rent arrears, which would potentially increase this year, adding to the costs being cross-subsidised by other tenants; the DFPS reminded members that service charge costs now exceeded the charges set last year, therefore there would be an impact going forward. An I&E report to be produced at the end of September would provide information for forecasts, and inform further discussion on deficits, affordability, future service charge increases and the planned review of service charge policy next year. - the pension past service deficit liability sits out with the I&E, resulting in improved cash and covenant positions. - it would be possible to review service charges more frequently following a month’s consultation, potentially quarterly. The further analysis being carried out would inform future discussions on service charges and rents for individual Courts and schemes, and the services offered. - service charges include communal heating charges which are fixed until October 2023, and was then expected to significantly increase, at which point a decision would be taken on the way forward.	

	The Q1 Management accounts were noted .	Noted
3.2	<p>Legionella Update</p> <p>The DPS presented the report advising work was ongoing and progress had been made regarding mitigation. In response to a member’s question the timescale for the DMA review was anticipated to be by the end of December.</p> <p>The report was noted.</p>	Noted
3.3	<p>Annual Report on Statutory Registers</p> <p>The report was noted.</p>	Noted
4	CHA DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
	None.	
5	CHA AND ANCHO JOINT BOARD MEETING	
5.1	<p>Ancho Apologies</p> <p>Apologies were received from Nigel Fortnum and Zoe Brawn.</p>	Noted
5.2	<p>Ancho Declarations of Interest</p> <p><i>All staff declared an interest in Item 5.3.</i> <i>All staff left the meeting.</i></p>	
5.3	<p>Remuneration Committee Minutes</p> <p>The Remuneration Committee Minutes from the meeting held on 14 June 2022 were noted.</p> <p>It was agreed that the Terms of Reference of the Remuneration Committee would be included as an Agenda item at the next Board meeting.</p> <p><i>All staff re-joined the meeting.</i></p>	Noted Agreed
5.4	<p>CHS Minutes</p> <p>The Cairn Homes & Service Ltd Minutes from the meeting held on 27 July 2022 were noted.</p>	Noted
5.5	<p>PCE Minutes</p> <p>The Pentland Community Enterprises Ltd Minutes from the meeting held on 27 July 2022 were noted.</p>	Noted
5.6	Audit & Performance Committee Minutes	

	The Audit & Performance Committee Minutes from the meeting held on 16 August 2022 were noted .	Noted
5.5	<p>AMDC</p> <p>The AMDC Minutes from the meeting held on 25 August 2022 were noted. Due to late circulation of the AMDC Minute any issues could be raised following the meeting. The DPS advised the content of the discussion at the meeting was reflected in the papers for Agenda Item 7.3 Development/ AMDC Update.</p> <p><i>Phyllis Rodgers joined the meeting</i></p>	Noted
6	GROUP ITEMS FOR DECISION/APPROVAL	
6.1	<p>Audited Accounts to 31 March 2022, Letters of Representation and Audit Management Reports for Cairn HA, Ancho and Cairn Homes & Services Ltd (CHS)</p> <p>The DFPS presented the Cairn HA, CHS and Ancho financial statements to 31 March 2022, along with Letters of Representation and Annual Management Reports. He advised that they had previously been considered thoroughly by the Group Audit & Performance Committee at their meeting held on 16 August 2022 and had been approved, subject to authorisation of the revaluations awaited from JLL, for recommendation to the CHA Board for final approval as group parent. The DFPS advised there had been some major audit adjustments since the Audit & Performance Committee meeting.</p> <p>James McBride, Azets, provided an overview of the reports and main adjustments including prior year adjustments and uncorrected mis-statements since the Audit & Performance Committee meeting.</p>	
6.1.1	<p>CHS</p> <p>There had been no changes to the CHS Financial Statements agreed by the Audit & Performance Committee, but James highlighted that since all assets had been transferred to Pentland Community Enterprises Ltd on 1 April 2022 with the intention to wind up and strike-off CHS, the financial statements had been prepared on the basis other than a going concern.</p>	
6.1.2	<p>Ancho</p> <p>James highlighted two late adjustments to the Ancho Financial Statements since the Audit & Performance Committee meeting: a revaluation of investment properties which had been awaited from JLL, and; following a discussion at the A&P meeting, an increase for bad debt provision for service charge debtors within the financial statements.</p>	
6.1.3	<p>Cairn HA and Group Accounts</p> <p>James highlighted an in-year increase in valuation of £264k, with a group position of a £12k net gain, and a loss in Ancho of £252k, the changes reflect revaluation of investment properties by JLL and debtors increases due to bad debt provision.</p>	

	<p>James asked members if there were any post-balance sheet events or issues that should be disclosed. The Board confirmed there were none.</p> <p>At the proposal of Neil Wood, seconded by Lizzie Crawford, the Financial Statements to 31 March 2022, Audit Management Reports and letters of representation for Cairn HA, CHS and Ancho and were approved and would be circulated for signature.</p>	Approved
6.2	<p>Group Policy Reviews</p> <p>The Policy reviews which had been made available in the Teams channel were presented. The Chair asked for any comments on any of the policies:-</p> <p>Group Whistleblowing Policy; Group Code of Conduct for Governing Board Members; Board Succession & Development Policy; Group Financial Regulations; Group Board Expenses Policy; Group Staff Expenses Policy; Group Recruitment Policy & Procedure; Group Disclosure Policy; Cairn Grievance Policy & Procedure; Cairn Disciplinary Policy & Procedure .</p> <p>In response to a member’s question, it was confirmed that receipts were required for reimbursement of any expenses to Board and staff members. The DFPS advised there was a facility in the Equals card online portal to submit receipts digitally. The GSM advised receipts were required for Board members travel expenses, meals, etc. The procedure would be checked to ensure it included a requirement to produce receipts.</p> <p><i>Redacted - Confidential</i></p> <p>At the proposal of Don Jamieson, seconded by Neil Wood, the Board approved all the Policies listed, <i>Redacted - Confidential</i></p>	Action GSM Approved
6.3	<p>Board Succession and Development Plan</p> <p>The Group CEO presented the report which included the proposed appointments of Office Bearers, Committee and Working Group members for 2022-23 and future retiral dates.</p> <p>The Board Succession and Development Plan for 2022-23 was proposed by Don Jamieson, seconded by Laurence Casserly and approved.</p>	Approved
7	GROUP UPDATES	
7.1	Confidential Item	
7.2	<p>Pentland Delivery Update</p> <p>The Group CEO presented the report, confirmed the operational integration continues and provided an overview. The PHA Board had held their last meeting to sign-off the PHA Annual Accounts and agree to the de-registration process which will now take place with SHR at the Regulator’s Board meeting, anticipated this side of Christmas.</p> <p>The report was noted.</p>	Noted

7.3	<p>Development/AMDC Update</p> <p>The DPS presented the report highlighting the reworking due to price changes and challenges engaging with suppliers. The SFHA had conducted a survey across the sector which would be circulated once available.</p> <p><i>Redacted – Confidential</i></p>	
7.4	<p>Equalities Strategy Annual Update</p> <p>The DBS presented an update on the Equalities Strategy highlighting that information would not be collected from tenants if it was not going to be used and this would be tied in with GDPR requirements. She highlighted the informal network with other RSL's on Equalities were at the same stage of development and data collection and comparability was being developed also.</p> <p>The Chair requested an update where timescales had changed. The report was noted.</p>	Action DBS Noted
7.5	<p>Customer Services Review</p> <p>The DCS presented the detailed report and background information highlighting the Appendices. In response to a question from the Chair he highlighted the main areas for improvement focus and service changes. There were ongoing impacts post-Covid and due to the cost of living crisis, further enhancement of digital provision would be ongoing and overall the survey of services provided had received a positive response from customers.</p> <p>The report was noted.</p>	Noted
7.6	<p>Courts Review</p> <p>The DCS presented the detailed report as within the papers. In response to a member's question whether a decision on Frank Jack Court needed to be accelerated, the DCS advised that an independent living Manager role would lead on an options appraisal starting 2023 with a view to a decision being made by April 2024, along with implementation of the overall courts modernisation programme. The Group CEO and the Chair thanked the DCS for the comprehensive work on the Courts Review and Customer Services Review.</p> <p>The report was noted.</p>	Noted
7.7	<p>Annual Treasury Management Report</p> <p>The DFPS presented the report highlighting the drawdown money from RBS was on deposit and interest gained in the year was expected to exceed that of last year. In response to a member's question, the 447 unencumbered units at Pentland was not included in the 556, and within Ancho the debt to security was sufficiently low therefore a process of releasing security within Ancho could be undertaken if required.</p>	

	The Annual Treasury Management Report was noted .	Noted
7.8	<p>IT Project Plan Update</p> <p>The DBS presented the report and introduced David McLachlan the ICTDM. In response to members' questions, the ICTDM advised; <i>Redacted</i> had not given an indication of how much further than 2023 they would provide support with the legacy Open Housing management system, however it was likely to be around 2026 after all customers had transferred to the <i>Confidential – redacted</i> platform. The project was on plan to be delivered by 2024, variations between estimates and tenders would be available following conclusion of the tender exercise, and no new risks or issues had been identified at this time. The budget, risks and time monitoring would be included in future reports. Lizzie Crawford (Project Sponsor) gave an update and proposed the future working group meeting dates be confirmed.</p> <p>The report was noted.</p>	<p>Action: DBS</p> <p>Noted</p>
7.9	<p>Q1 KPI's</p> <p><u>CHA</u></p> <ul style="list-style-type: none"> - The DCS advised on CHA complaints responded to on timescale referred to nine complaints, two of which were cross departmental, these would be picked up from MATS to ensure responses within 5 days. - The staff absence report was presented to the Audit & Performance Committee with a comparison to other RSL's showing benchmarked performance, and it was noted that the figures were impacted by several previous long term ill-health absences. <p><u>Ancho</u></p> <ul style="list-style-type: none"> - Two typos confirmed, p308 void loss in July should be 0.0%, p310 June should say July. - The DCS advised in relation to deterioration in Ancho cash collections an overview of CHA and Ancho collections could be provided on a monthly basis, week 2 in the Teams channel. - Staff absence figures for Ancho will be moved into Cairn figures due to low Ancho staff numbers, with specific commentary added in to explain as required. <p>The CHA and Ancho KPI's were noted.</p>	<p>Action DBS</p> <p>Action DCS</p> <p>Action DBS</p> <p>Noted</p>
7.10	<p>Q1 H&S Update</p> <p>The DBS presented the report. The DFPS advised he had met with the insurers who advised that due to fire incidents over the past two years the housing cover insurance premiums were expected to increase next year.</p> <p>The report was noted.</p>	Noted
7.11	Risk Register and New/Changed risks	

	<p>The DBS advised the Risk Register format presented to the Audit & Performance Committee had been altered to provide more detail and was being tracked by the Exec Team given the current global economic climate and cost of living. A full report would be presented to the Strategy Day in December.</p> <p>The report was noted.</p>	Noted
7.12	<p>Items for Audit & Performance Committee consideration</p> <p>Members were asked for any areas for consideration. It was confirmed the Service Charge position would be considered at the next A&P meeting.</p>	
8	GROUP GOVERNANCE, REGULATION & CORPORATE	
8.1	<p>Chairpersons' Update Reports</p> <p>The Ancho Chair provided an update on activities since May including Board appraisals, assurance statement, risk and resilience and pensions meetings.</p> <p>The CHA Chair provided an update on activities including weekly updates with the group CEO, Board appraisals, assurance statement WG, risk and resilience, office bearers and SMT meeting and other meetings and engagement with Board members.</p> <p>The reports were noted.</p>	Noted
8.2	<p>Governance & Regulation Update</p> <p>The GSM provided an overview of the report highlighting the ongoing recruitment for Ancho Board members, vacant Ancho Vice-Chair position, progress on the assurance statement work, and AGM arrangements confirming the Edinburgh/Thurso CHA AGM meetings were in-person only.</p> <p>The report was noted.</p>	Noted
9	ANCHO BOARD	
9.1	<p>Ancho (JGB) Minutes – 26 May 2022</p> <p>Minutes of the Ancho Board meeting held on 26 May 2022 were proposed by Steven Travers, seconded by Michael Donnelly and approved.</p>	Approved
9.2	<p>Matters Arising</p> <p>None</p>	
9.3	Action Tracker	
	<p>The Ancho Chair noted that the proposed Garage transfer (to PCE) has been delayed until April. The DFPS advised that this timescale is more realistic as there is not yet a merged account system in place for PCE.</p>	

	<p>A CHA Board member queried the Group wide ‘Real Living Wage’ employer accreditation proposal, recalling that this had been discussed and postponed about five years ago. The DFPS reminded Members of the recently approved Group Corporate Social Responsibility policy which references the Real Living Wage which both Cairn and Ancho already pay as a minimum. To achieve the accreditation, the Group Procurement policy needs to request that potential suppliers are demonstrating their best endeavours to make this payment standard within their organisations. He advised that it was a staff member who had queried why we do not have the accreditation.</p> <p>There was a discussion on the possible positives and negatives of obtaining the accreditation. A member advised that the accreditation is becoming increasingly important to funders and partner agencies and is a key part of the community wealth building agenda. If it does not cost a great deal, then he believes it is worth having. The CEO advised that he is in support of seeking the accreditation, based on a requirement for suppliers /contractors to use “best endeavours”. There were no objections in continuing with the action to seek accreditation.</p> <p>The Ancho Chair queried the progress on the £100,000 identified for environmental and community development. The DCS advised that some of the hardship fund has been used to assist tenants in buying white goods, however criteria have yet to be identified. He advised that the decision will likely be made to use the fund during the winter to keep tenants out of fuel poverty. The Ancho Chair asked that the DCS advises the remaining balance of the fund as soon as possible.</p> <p>The report was noted.</p>	<p>Action DCS</p> <p>Noted</p>
10	ANCHO ITEMS FOR DECISION/APPROVAL	
10.1	Ancho Pension Scheme (Confidential)	
11	ANCHO UPDATES	
11.1	<p>Operational Update</p> <p>The DCS gave a verbal update in support of the written report.</p> <p><i>(Neil Wood and Steven Travers left the meeting.)</i></p> <p>There were no comments from the Board on the report, the report was noted.</p>	<p>Noted</p>
11.2	<p>Partnership Investment Delivery Update</p> <p>The DPS provided a verbal update in support of the written report.</p> <p>Annick Riverbank – A member asked what would happen if Ancho complete work on their section of the riverbank but the owners of the land on either side of the section do not complete any work. The DPS advised that part of the consultation process, any remedial works must be done in agreement</p>	

	<p>with SEPA and the Local Authority, although there is no requirement for them to complete any work.</p> <p>The Ancho Chair asked at what point this contingent liability becomes a liability for accounting and covenant compliance. The DFPS advised that as soon as the value of the liability is known, then it is included in the accounts. There will be an impact to the covenant. The liability is not yet known. The DPS advised that the engineers have been asked to advise if the works can be phased and broken into elements to assist with capacity, forward planning and accounting. The report was noted.</p>	Noted
11.3	<p>Q1 Management Accounts</p> <p>The DFPS highlighted from the accounts that the employment costs are better than budget. <i>Redacted – Confidential</i>. This has not been done yet. There is also a gap area between employment which has impacted slightly, and the intercompany recharge of staff is behind as is the planned maintenance spend. Overall performance is ahead of budget. The report was noted.</p>	Noted
11.4	<p>Annual Report on Statutory Registers</p> <p>The GSM presented the report which was noted.</p>	Noted
12	<p>ANCHO DECISIONS TAKEN UNDER DELEGATED AUTHORITY</p> <p>The DCS advised that a property had been allocated under delegated authority to a relative of a member of staff. This was noted.</p>	Noted
13	<p>AOCB</p> <p>The GSM asked if there were any objections to holding the Strategy Day on 8 December in Glasgow followed by the Christmas meal in the evening. There were no objections.</p> <p>The Chair of CHA was asked to clarify whether the Joint Board had made a decision to approve the seeking of Real Living Wage employer for the Group. The Board confirmed their approval.</p>	Approved
14	<p>DATE OF NEXT METTING</p> <p>24 November 2022</p>	