

**MINUTES OF THE JOINT GOVERNING BODIES' BOARD MEETING OF
CAIRN HOUSING ASSOCIATION AND ANCHO LIMITED
HELD ON THURSDAY 23 MARCH 2023 AT 3:00PM
VIA TEAMS**

Cairn HA
 Don Jamieson (Chair)
 Angus Lamont (Vice-Chair)
 Lizzie Crawford
 Neil Wood
 Nigel Chapman
 Helen Barton
 Steven Travers

Ancho
 Bill Finlay (Ancho Chair)
 Nigel Fortnum
 Steven Travers
 Colin Love
 Angus Lamont
 Phyllis Rodgers

In Attendance: Derek Adam, Director of Finance and People Services DFPS
 Morag Boyter, Director of Business Services DBS
 Sean Connor, Director of Customer Services DCS
 Carolyn Owens, Governance Services Manager GSM (*CHA Minutes*)
 Catherine Bradley, Governance Services Assistant GSA (*Ancho Minutes*)

	Item	Decision/ Action
1	CHA BOARD	
1.1	Board Members only session 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. <i>Staff members joined the meeting. The Chair welcomed everyone and advised members that the DFPS would be leaving.</i>	
1.2	Apologies Apologies were received from Laurence Casserly and from Jason MacGilp.	Noted
1.3	Declarations of Interest Steven Travers declared an interest as an Ancho Board member.	Noted
1.4	CHA (JGB) Minutes – 26 January 2023 Minutes of the Joint Governing Bodies' Meeting of Cairn HA and Ancho held on 26 January 2023 were proposed by Don Jamieson, seconded by Helen Barton and approved by the CHA Board.	Approved

1.5	<p>CHA (JGB) Minutes Budget – 3 February 2023</p> <p>Minutes of the Joint Governing Bodies’ Meeting of Cairn HA and Ancho (Budget) held on 3 February 2023 to discuss the Budget were proposed by Angus Lamont, seconded by Neil Wood and approved by the CHA Board.</p>	Approved
1.6	<p>Matters Arising</p> <p>The Chair raised a query in relation to Item 7.4, of the JGB Minute - 26 January 2023, regarding the Redundancy Policy. The DFPS advised that a new proposal was awaited from GMB Union.</p>	
1.7	<p>Action Tracker</p> <p>Item 2 - Service charge review. SC advised members that the process overview and timetable was in the Teams channel and invited members to send any further questions to him after the meeting.</p> <p>Item 3 – the DBS advised the action would be taken forward following a meeting with the A&P Chair on 27 March.</p> <p>Item 6 – the DCS provided an update proposing to bring quarterly updates to Board meetings.</p> <p>Item 7 – the DPS advised that the AMDC ToR was being progressed with the CEO but had been delayed and would be provided in due course.</p> <p>The Chair asked that the Action Tracker target dates be updated if actions were delayed. The report was noted.</p>	<p>Action MB</p> <p>Action MD</p> <p>Action All Noted</p>
2	<p>CHA ITEMS FOR DECISION/APPROVAL</p>	
2.1	<p>Cairn HA Final Budget 2023-2024 including proposed Ancho and Pentland Community Enterprises (PCE) Budget</p> <p>The DFPS presented the final proposed 2023-2024 Budgets for Cairn HA, Ancho and PCE. The Chair thanked the DFPS for all his work particularly the scenario planning aspect of the process.</p> <p>The DFPS advised that the PCE Board had approved their Budget and once Ancho approved their Budget at item 11.1 on the Agenda, the group consolidated position could then be approved by the Cairn HA Board as group parent. The Board was requested to review and approve the proposed 2023/24 budget and 30 year financial forecast for Cairn Housing Association.</p> <p>The DFPS highlighted changes since the draft Budget was presented (on page 25 of the Boardpack), referring to service charge figures, two additional property services employees one of whom would be in the capital element of salaries, more capitalised salaries coming through in future years due to the programme being delayed, and supplies and services now reflecting an increase and where we are in IT project, and motor/travel costs increases now the organisation is back to normal.</p> <p>The Ancho Chair had requested on the Teams channel for a revised I&E account to show the forecast through to year end rather than the Budget which had been circulated.</p>	

	<p>In response to members' questions the DFPS advised:-</p> <ul style="list-style-type: none"> - capitalised salaries costs are included in development appraisals over the next five years and depreciated over that time; - RBS had relaxed their covenant criteria, there was no update from Metlife as yet but as they adopt the same criteria no issues were anticipated, this would be followed up with their contact; - the increase in voids from 503k to 827k for next year was a conservative approach as agreed at the Strategy Day to give some headroom; - The PCE net operating income was around £15-20k. The value of the transfer through the accounts for the Pentland HA gain on purchase was reflected through the Cairn HA accounts with all assets and liabilities transferred to Cairn HA. - Responsive repairs renewals variations in North and South were due to the two separate models, i.e.; use of contractors in the South and a mix of contractors/HomeWorks in the North and addition of the Pentland stock. A unitised cost (per location) for comparison would be presented for the next meeting. Use of the Epix system would be explored more over the next year, along with HomeWorks billing to the HA as R&J currently do. The DPS gave an overview of the North/South model and costings. - In view of the minimum cash balance of £3m, along with a prudent approach to voids and debt, there was £20m available, £16m on deposit. The DPS advised that any excess funding would be channelled towards compliance activities. <p>Members agreed to defer a decision until after Agenda Item 11.1, Ancho Budget, had been approved. <i>[Note: Subsequently approved after item 11.1]</i></p>	<p>Action DFPS</p> <p>Agreed</p>
2.2	<p>Membership Review</p> <p>The GSM presented the report detailing changes to the Cairn HA Shareholding memberships. The changes were proposed by Don Jamieson, seconded by Nigel Chapman and approved.</p>	<p>Approved</p>
3	<p>CHA UPDATES</p>	
3.1	<p>Q3 Management Accounts</p> <p>The DFPs presented the report highlighting the outturn to year end was in line with the Budget, main variances were increases in repairs and renewals to utilise planned maintenance underspends, the repairs and renewals allocation had been increased in budgets for next year, again due to transfer of Pentland stock and depreciation had been adjusted to the Budget.</p> <p>The report was noted.</p>	<p>Noted</p>
3.2	<p>Legionella Update</p> <p>The DPS presented the report highlighting the work which had been completed and advised that the SHR were satisfied with progress and had now closed the related Notifiable Event. All of the site based remediation works had been completed, there were some properties where asbestos was present which was being addressed with the asbestos specialists prior to accessing to complete works. The bathroom replacement programme had now been commenced.</p>	

	<p>There had been a lot of investment and well attended meetings with tenants. Actions and recommendations to improve processes across the estate would be continued and the review had strengthened the approach across the group.</p> <p>In response to the Chair’s question, the DPS confirmed that essentially, once the eight properties with flexible hose issues were completed, Lochbrae had moved into a continued monitoring and management phase, and a water hygiene approach was in place at all sites with communal water systems. Members were content that the issues had been addressed and there was no requirement for further regular updates unless there were any other changes.</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	Ancho Apologies	
	None.	
5.2	Ancho Declarations of Interest	
	Angus Lamont declared an interest as a Cairn HA Board member.	
5.3	Asset Management and Development Committee – 16 February 2023	
	Helen Barton, AMDC Chair advised that the Meeting on 16 February had been inquorate therefore no decisions had been taken, the Minutes were a reflection of discussions by those present. The AMDC Minutes were noted .	Noted
5.4	Group Audit & Performance Committee Minutes – 21 February 2023	
	Minutes of the Group Audit & Performance Committee Meeting held on 21 February 2023 were noted . The A&P Chair highlighted the extension of the external audit contract and review of the current contract with internal auditors. The CHA Chair provided an update on the cyber fraud investigations. The DPS highlighted that Item 9.1 EICR progress update was noted by the Committee at the meeting and that regular updates would be provided to the Committee.	Noted
5.5	PCE Minutes – 7 March 2023	
	Minutes of the Pentland Community Enterprises Meeting held on 7 March 2023 was noted .	Noted
6	GROUP ITEMS FOR DECISION/APPROVAL	
6.1	Ancho Transfer of Engagements Project Plan update incl approvals of Heads of Terms	
	The Chair advised the Cairn/Ancho Joint Board Steering Group had held their initial meeting on 15 March 2023 and approved the Heads of Terms and project plan. The SPM highlighted items under 3.3 and asked for feedback on the	

	<p>document, there was none and the Chair confirmed the JBSG were happy with the work undertaken.</p> <p>At the proposal of Don Jamieson, seconded by Bill Finlay, the Boards of Ancho and Cairn HA approved the Heads of Terms for the proposed Transfer of Engagement between ANCHO Ltd and Cairn Housing Association, and noted the Project Plan for the Ancho Transfer of Engagements to CHA.</p>	<p>Approved Noted</p>
6.2	<p>Annual Risk Report and Strategic Risk Register</p> <p>The DBS presented the report which had been presented to the Audit & Performance Committee and followed on from discussions held at the Group Strategy Day. The A&P Committee had approved the Risk Register and the DBS provided an overview highlighting the changed risks at 1 to red, reflecting the impact of the risk appetite agreed at the Strategy Day, and likelihood given the current financial climate, which would be monitored and reported to the A&P quarterly. Risks 2,3,5 and 11 were at amber and being monitored closely, Risk 12 had moved back to green due to cybersecurity and penetration testing being completed and the Notifiable Event closed.</p> <p>At the proposal of Don Jamieson, seconded by Angus Lamont, the new scoring for the risk matrix and the risk appetite for each risk were approved.</p>	<p>Approved</p>
6.3	<p>King’s Coronation Holiday</p> <p>The DFPS presented the report. Following discussions, at the proposal of Don Jamieson, seconded by Michael Donnelly, Option 2 as detailed within the report, was approved.</p>	<p>Approved</p>
6.4	<p>Policy Reviews</p> <p>The GSM presented policies for cyclical review which were available to view in the Teams Channel. The Chair requested that future policy reviews where payments of any type would have an impact on the costs of the organisation be included in the Boardpack separately.</p> <p>At the proposal of Don Jamieson, seconded by Angus Lamont, the Group Entitlements, Payments & Benefits Policy; CHA Membership Policy; and Ancho Membership Policy; were approved.</p>	<p>Approved</p>
7	<p>GROUP UPDATES</p>	
7.1	<p>Pentland Delivery Update</p> <p>The SPM presented the report on progress with the Pentland Delivery Plan as detailed within the attached appendix. The Chair confirmed that the SHR were comfortable with the revised timescales.</p> <p>The report was noted.</p>	<p>Noted</p>
7.2	<p>Development & Asset Management Update</p>	

	<p>The DPS presented the report and gave an overview highlighting the tender exercises and work strands to deliver the Caithness investment programme, 92 units had been delivered to the end of year, another site due to complete in Q1 for next year, and current projection for next year at 144 units including the 27 in Blackridge which were due to be delivered in Q4 this year. There had been good progress at Morlich Court with two tenants remaining, VAT advice had been received in order to progress the demolition without incurring additional financial costs, and the tender for the design team is out with a good response which reflects the opportunity of the site for the organisation.</p> <p>The Chair raised the EICR comments by SHR at their meeting on 23 March, which had been discussed by members prior to the meeting. The DPS advised this had been a significant focus for the team, highlighting that technical exemptions/abeyances hadn't been applied in the figures for Cairn and would be explored further, and SHR guidance issued at the start of the process had been followed. A discussion took place on additional resources and timescales. In response to a member's question the DPS and DFPS advised that a risk based approach had been taken and the insurance company had been kept informed and were content to provide full cover for properties and liability. The DFPS would confirm exposure over the £5m limit with the insurance company. The DPS proposed additional resources/officer to accelerate delivery of the programme, the DFPS confirmed there was capacity in the budget and the Board agreed to the proposal.</p> <p>The DFPS/DPS would prepare a draft response to SHR along with agreement of the Regulation Plan and submit on 24 March 2023.</p> <p>In response to a members' questions, the DPS advised that no additional funding had been made available to meet the EICR requirements, and it would not be feasible to outsource the programme due to internal management of the process.</p> <p>The report was noted.</p>	<p>Action DFPS</p> <p>Agreed</p> <p>Action DFPS/DPS</p> <p>Noted</p>
<p>7.3</p>	<p>Customer Involvement Strategy Update</p> <p>The DCS presented the report and overview appendix. In response to a member's query on response rates to the Newsletters and anticipated tenant engagement in the Ancho/Cairn Transfer of Engagements, the DCS advised the responses tend to be around 80-100, there had been additional positive responses to the cosy boxes and additional funding this year, there would be an end of year report, and tenant engagement on estate management and complaints was encouraged. The regional tenant panels are being established across the group with the South including tenants from North Ayrshire to participate in feedback related to the Transfer of Engagements. In response to a member's question the DPS advised that an audit on the CI Strategy was undertaken by RSM and could be done by TPAS, staff training will be delivered by the OD Team, Consultation Institute's modular learning materials and IT. Reasoning behind the terminology of 'customer' and 'tenant' would be explained in the Strategy.</p> <p>The report was noted.</p>	<p>Noted</p>

<p>7.4</p>	<p>Equalities Strategy 6-month Update</p> <p>The DBS presented the six monthly update report which ends the two year equalities action plan, highlighting that the equalities profile of tenants was still being worked on, and an event would be held for Equalities Champions, Senior management in Summer to learn from others and develop the next two year action plan, Board members would also be invited in due course. Improvements and progress had been made on recruitment, family friendly policies, strategies, equalities impact assessments for policies. Members discussed the difficulties of measuring the outcomes, using inclusive media advertising, etc. A member offered to share experience on accessibility with the DBS after the meeting .</p> <p>The report was noted.</p>	<p>Action DBS</p> <p>Noted</p>
<p>7.5</p>	<p>IT Project Plan Update</p> <p>The DBS provided an update on the Housing Management system procurement stage and would update members on the appointed contractor in due course. The Finance system tender was ongoing. The Board members involved in the Project Plan would be updated prior to progressing the procurement. It was confirmed that reference sites had been used during the procurement process.</p> <p>The report was noted.</p>	<p>Noted</p>
<p>7.6</p>	<p>CHA and Ancho KPI's</p> <p>CHA - The DCS advised that: (p192), percentage of calls answered within 60 seconds, the narrative reflected holidays and high call volumes due to the out of hours service issue and bad weather in the North; the complaints figures were related to low complaint numbers skewing the figures and Stage 1 complaints can require multiple departmental responses leading to holding letters being sent out to customers.</p> <p>Ancho – The Ancho Chair commended the team in the income collection increases. A member queried (p208/209) whether urgent and routine reactive repairs targets we realistic for Ancho, the DPS advised they were consistent across the group and sector and were to reflect challenges across the group and would be taken to the Audit & Performance Committee for further consideration.</p> <p>The CHA and Ancho KPI reports were noted.</p>	<p>Action DPS</p> <p>Noted</p>
<p>7.7</p>	<p>Risk Register and New/Changed Risks</p> <p>EICR would be updated on the regulatory compliance risk.</p>	<p>Noted</p> <p>Action DBS</p>
<p>7.8</p>	<p>Items for Audit & Performance Committee consideration</p> <p>There were none.</p>	
<p>7.9</p>	<p>S&P Global Ratings Report</p>	

	The DFPS presented the report, highlighting no change in ratings since last year. Due to the fees involved in the review, the DFPS had liaised with Metlife and agreed that the rating does not require annual review unless further borrowing was required. The report was noted .	Noted
8	GROUP GOVERNANCE, REGULATION & CORPORATE	
8.1	Chairpersons' Update Reports The Chairs gave an overview of their activities and meetings attended since the last meeting. The reports were noted .	Noted
8.2	Governance & Regulation Update The GSM presented the report highlighting PCE succession planning which Nigel Chapman agreed to consider and would advise the GSM; updates on Notifiable Events; and an update on the legal services tender/procurement. The report was noted .	Noted
9	GROUP DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
9.1	The DFPS gave an overview of reviewed Policies. Members noted the Professional Fees, Code of Conduct for Staff and Probation Policy reviews which had been approved under delegated authority by the Exec Team.	Noted
10	ANCHO BOARD	
10.1	Ancho (JGB) Minutes – 26 January 2023 Minutes of the Ancho Board meeting held on 26 January 2023 were proposed by Bill Finlay, seconded by Nigel Fortnum and approved by the Ancho Board.	Approved
10.2	Ancho (JGB) Minutes Budget - 3 February 2023 Minutes of the Budget Board meeting held on 3 February 2023 were proposed by Bill Finlay, seconded by Steven Travers and approved by the Ancho Board.	Approved
10.3	Matters Arising There were no matters arising.	
10.4	Action Tracker In response to a query from the Ancho Chair, the DFPS advised that the real living wage work is ongoing. The Action Tracker was Noted .	Noted
11	ANCHO ITEMS FOR DECISION/APPROVAL	
11.1	Final Ancho Budget 2023-2024 to propose to Group Board	

	<p>The DFPS presented the budget and highlighted an increase in 'other income' because a grant was secured to fund a new post within Ancho. There is very little other change from the previous version circulated.</p> <p>The Final Ancho Budget 2023-2024 was proposed by Bill Finlay, seconded by Steven Travers and Approved.</p> <p>The Final 2023-2024 Budgets and 30 year financial forecasts for CHA (including Col awards for all CHA staff), ANCHO and Pentland Community Enterprises Ltd, having been reviewed and agreed at the respective Boards, were proposed by Don Jamieson, seconded by Bill Finlay and Approved.</p>	<p>Approved</p> <p>Approved</p>
11.2	<p>2023 Annual Salary Cost of Living Proposal</p> <p>The DFPS advised that the existing Ancho staff are members of EVH and EVH have a collective agreement across all EVH employers in terms of the cost of living increase. The amount agreed was 5.25% which applies to the 6 remaining Ancho staff. <i>Confidential - redacted</i></p> <p>The cost of living proposal was proposed by Bill Finlay, seconded by Nigel Fortnum and Approved.</p>	<p>Approved</p>
11.3	<p>Membership Review</p> <p>The GSM presented the review and advised that 3 memberships have been cancelled which will leave Ancho with 55 shareholding members.</p> <p>The Chair queried the significance in the numbers. The GSM advised that the numbers have always been around 55 so it is an average number for an association of Ancho's size.</p> <p>The Membership Review was proposed by Bill Finlay, seconded by Colin Love and Approved.</p>	<p>Approved</p>
12	ANCHO UPDATES	
12.1	<p>Q3 Management Accounts</p> <p>The DFPS apologised for the slight error in the balance sheet which has been rectified. The overall position is a surplus. Ancho is ahead of budget. There are some costs that are sitting within CHA which need to transfer to Ancho. But Ancho should still be ahead of budget by the end of the year.</p> <p>The Chair queried a note in the accounts on page 258 about <i>redacted</i> which the DFPS confirmed as being the landlord at Sovereign House. The recharge is a small amount of work that Ancho does which is charged back to the landlord. The report was noted.</p>	<p>Noted</p>
12.2	<p>Operational Update</p> <p>The DCS gave a verbal update in support of the written report.</p>	

	<p>A member congratulated the customer services on their success in securing the Investing in Communities fund as well as the SFHA Winter Hardship fund.</p> <p>The report was noted.</p>	Noted
12.3	<p>Partnership Investment Delivery Update</p> <p>The DPS provided a verbal update. She advised that 24 new kitchens have been delivered since the last report in January. She also highlighted that the options for the riverbank work are expected back in the next month. She also advised that quantified options will be taken to the Scottish Government to discuss the legitimacy of having this as an asset owned by a housing association through stock transfer.</p> <p>With regards to the promises, it is just the remaining kitchen program that is contracted to be delivered over the next year.</p> <p>The report was noted.</p>	Noted
13	ANCHO DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
	There was none.	
14	AOCB	
	<p>The GSM highlighted the Board meeting and Development Day in Inverness and asked members to confirm availability asap. She also advised that the May A&P would be held via Teams not in person.</p> <p>The Chair thanked everyone for their attendance.</p>	
15	DATE OF NEXT METTING	
	25 May 2023 Board Meeting & 26 May 2023 Development Day, Inverness (in-person)	

Meeting ended 6.08pm