

**MINUTES OF THE JOINT GOVERNING BODIES BOARD MEETING  
OF CAIRN HOUSING ASSOCIATION AND ANCHO LIMITED**  
Thursday 25 January 2024 at 3:00pm  
Held at Bellevue House, 22 Hopetoun Street, Edinburgh and via Teams

Present:

Cairn HA                    Angus Lamont (Chair)  
                                  Lizzie Crawford (Vice-Chair)  
                                  Don Jamieson (Teams)  
                                  Helen Barton (Teams)  
                                  Neil Wood  
                                  Douglas Reid (Teams)  
                                  Nigel Chapman  
                                  Laurence Casserly

Ancho                        Bill Finlay (Ancho Chair) (Teams)  
                                  Nigel Fortnum (Teams)  
                                  Colin Love (Teams)  
                                  Suzie Lyons (Teams)  
                                  Laurence Casserly

In Attendance:            Ken Tudhope, Interim Chief Executive Officer (ICEO)  
                                  Meg Deasley, Director of Property Services DPS  
                                  Morag Boyter, Director of Business Services DBS  
                                  Carolyn Owens, Governance Services Manager GSM  
                                  Rachel MacGregor, Corporate Officer CO (*Minute*)

Observer:                    Audrey Simpson, CEO starting in April 2024.

	Item	Decision/ Action
1	<b>CHA BOARD</b>	
1.1	<p><b>Board Members only session</b></p> <p>Board discussed the recent HR matters and the actions to be taken following on from this.</p> <p><i>All staff joined the meeting.</i></p>	
1.2	<p><b>Apologies</b></p> <p>Audrey was welcomed to the meeting as an observer before starting the role of CEO in April 2024.</p> <p>Apologies were received from Steven Travers.</p>	
1.3	<p><b>Declarations of Interest</b></p> <p>None</p>	

<p>1.4.1</p>	<p><b>CHA (JGB) Minutes – 23 November 2023</b></p> <p>Minutes of the Joint Governing Bodies’ Meeting of Cairn HA and Ancho held on 23 November 2023 were proposed by Lizzie Crawford, seconded by Nigel Chapman and <b>approved</b>.</p>	<p>Approved</p>
<p>1.4.2</p>	<p><b>CHA (JGB) Minutes – 23 November 2023 Confidential</b></p> <p>Previously circulated Minutes of the Joint Governing Bodies’ Meeting of Cairn HA and Ancho (Confidential) held on 23 November 2023 were proposed by Neil Wood. Seconded by Laurence Casserly and <b>approved</b>.</p>	<p>Approved</p>
<p>1.4.3</p>	<p><b>CHA (JGB) Strategy Minutes – 24 November 2023</b></p> <p>Minutes of the Joint Governing Bodies’ Strategy Day Meeting of Cairn HA and Ancho held on 24 November 2023 were proposed by Nigel Chapman, seconded by Lizzie Crawford and <b>approved</b>.</p>	<p>Approved</p>
<p>1.5</p>	<p><b>Matters Arising</b></p> <p>There were none.</p>	
<p>1.6</p>	<p><b>Action Tracker</b></p> <p><u>Item 1</u> – Interim CEO to progress this action and provide an update to the Board at their meeting in March.</p> <p>Items to be added onto the action tracker after being missed from the last meeting.</p> <ul style="list-style-type: none"> <li>• Union Agreement – Review and update due to the age of the agreement.</li> <li>• Risk Register changes – bring back to the board.</li> </ul>	<p>Action ICEO  DBS</p>
<p>2</p>	<p><b>CHA ITEMS FOR DECISION/APPROVAL</b></p>	
<p>2.1</p>	<p><b>CHA Budget Update</b></p> <p>Interim CEO presented the report for review, advising the board</p> <ul style="list-style-type: none"> <li>• Past rent increases have been agreed without sight of the budget. Therefore this year the draft budget being presented first so CHG are aware of the direction of travel.</li> <li>• The deficit was highlighted with accompanying commentary advising this was due to the difficulties in extracting a completed property rent list therefore assumptions have been made in the paper.</li> <li>• Since feeding in the accurate information the budget is now showing a significantly higher income (surplus of. £300,000) than originally stated however the detailed itemised budget will be presented to the Board at their meeting in March.</li> <li>• Error on the assumptions table on page 27 was highlighted that column one should read 2024/25.</li> <li>• Assumptions agreed at the November board meeting have been used from the budget however this will be updated in line with decisions made by the board at the meeting if different to the assumptions.</li> </ul>	

	<ul style="list-style-type: none"> <li>Rent increase proposed to the board works well within the budget and business plan.</li> <li>Riverbank updated costs will be included in the accounts for current year so it will be a clear start for next financial year.</li> <li>Separate approval is required for the CHA rent increase and the Ancho rent increase which will be discussed further on in the agenda.</li> </ul> <p>Board <b>noted</b> the contents of the report, and that a detailed budget would be presented to the March 2024 Board meeting.</p>	
2.2	<p><b>Rent Consultation Feedback and Agree Rent Increase</b></p> <p>Following a review and consideration of the business plan, tenant feedback, sector increases and basing the rent increase on October CPI + 1%, the Board agreed to consult with tenants on a proposed rent increase of 5.7%</p> <p>The Business Plan had traditionally been predicated on 1% + CPI however this approach would be regularly reviewed as a long-term objective to ensure there is a solid base for future years. Members also discussed the rent structure applied to former PHA tenants and properties in Lochside, Coatbridge.</p> <p>Paragraph 4.6 advised there are 200 tenancies which have a rent increase cap applied to them back in 2018 for a maximum of 7 years. ICEO advised this would come to an end with a consistent increase approach being taken on these capped properties if differences were now significant. This will be reflected in the budget.</p> <p>Feedback received on the consultation (77 responses) noted concerns on further impacts on the cost-of-living challenge and the level of service being provided at the moment. The Exec team would review the comments internally on case-by-case basis and provide an update at the Board meeting in March.</p> <p>Lochside properties are subject to a contractual 6.2% as described in the paper. Ex-Pentland properties remain on the ToE agreement of October CPI which is 4.7%.</p> <p>The Board <b>approved</b> a 5.7% rent increase, other than the 6.2% to apply to Lochside and 4.7% to ex-Pentland Housing properties. This was proposed by Neil Wood and seconded by Nigel Chapman.</p>	Noted
2.3	<p><b>2024 Annual Salary Cost of Living Proposal</b></p> <p><i>All staff declared an interest in the item. See separate confidential Minute</i></p>	Action ET
2.4	<p><b>Adam Grossert Court Project</b></p> <p><i>See separate Confidential Minute</i></p>	Approved
3	<p><b>CHA UPDATES</b></p>	
3.1	<p>Nothing to report</p>	
4	<p><b>CHA DECISIONS TAKEN UNDER DELEGATED AUTHORITY</b></p>	

4.1	Nothing to report	
5	<b>CHA AND ANCHO JOINT BOARD MEETING</b>	
5.1	<p>Ancho Apologies were received by</p> <ul style="list-style-type: none"> <li>• Steven Travers, Ancho Board Member.</li> <li>• Zoe Brawn, Ancho Board Member</li> <li>• Fiona Callaghan, Ancho Board Member</li> </ul> <p>Ancho Chair updated the Board that Phyllis Rodgers has resigned from the board due to personal reasons.</p> <p>Potential to look at recruitment for the Ancho Board going forward was discussed further under 8.2.</p>	Noted
5.2	<p><b>Ancho Declarations of Interest</b></p> <p>There was no interest to note.</p>	
5.3	<p><b>PCE Minutes – 30 November 2023</b></p> <p>These minutes were <b>noted</b> by the Board with no further comment.</p>	Noted
5.4	<p><b>PCE Strategy Day Minutes – 6 December 2023</b></p> <p>These minutes were <b>noted</b> by the board with no further comment.</p>	Noted
6	<b>GROUP ITEMS FOR DECISION/APPROVAL</b>	
6.1	<p><b>Ancho ToE Project Plan – Annick Riverbank options and considerations</b></p> <p>In August 2023 the ToE was paused to allow for further assessment of remediation options for addressing the erosion on the stretch of Annick Riverbank owned by Ancho. Exploration of the stakeholder engagement and the potential for working with the local authorities and Scottish Government was to be carried out. Since then, the initial conversations have been had with the Scottish Government, North Ayrshire Council and SEPA.</p> <p>Interim CEO provided the board with further detail on the finances:</p> <ul style="list-style-type: none"> <li>• An expenditure provision of £900k was made in the 2022/23 accounts for potential Riverbank costs.</li> <li>• £1.5 million mentioned in the budget doesn't include VAT, professional fees etc so the revised provision required could be up to £2 million.</li> <li>• Looking to confirm a more accurate detail for the provision costs which will be refined for the updated budget being presented to the board at their meeting in March.</li> <li>• Any expenditure will be charged in the Ancho statements to the year end 2024 due to the Auditors regarding this as a known liability.</li> <li>• £1 million from the pension scheme which was not expected will go towards the project.</li> <li>• Initial discussions with Nationwide in terms of the position the business is in and what may happen in the future have taken place. Nationwide have been helpful.</li> <li>• As an organisation we don't want to see the Riverbank issues breaching Ancho's loan covenants.</li> </ul>	

	<ul style="list-style-type: none"> <li>Ancho's cashflow maybe left tight however by that time the ToE may be in place and therefore Cairn would take over the work and the costs associated with this project.</li> <li>672 properties are currently supported with a loan from Nationwide which works out at approx. £9,000 per property therefore if an additional £2 million was spent a debt per unit of £12k would still make the transfer viable financially.</li> </ul> <p>Time scale of the project - appoint contractor and start works by October/November 2024 with a completion date of 18 months from now depending on stakeholders' timescales. However, the start time will be determined by a number of factors including fish spawning, vegetation and river conditions.</p> <p>Potential hidden costs may arise therefore board members ask the team to keep an eye on the budgets. Overall the report is comforting and shows a way forward on the erosion issues at the Riverbank.</p> <p>Strategic discussions have been held with the Neighbourhood and Planning Council officials who have offered to support and advise on the project going forward. Noted no financial support is available.</p> <p>Detailed design options will be discussed with those relevant parties.</p> <p>The Ancho Board <b>approved</b> for the team to take forward the preferred option of option 3 to move towards the tender stage. This was proposed by Bill Finlay and seconded by Colin Love.</p> <p>Board members discussed: the proposal to seek further independent legal advice which would allow the board/organisation to make more considered decisions on how we go forward; potential liability/recovery of costs; enforcement costs; and reputational issues.</p> <p>Board <b>approved</b> for further specialised legal advice up to a cap of £5,000 plus VAT to be sought. This was proposed by Nigel Chapman and seconded by Lizzie Crawford.</p> <p>Board <b>approved</b> for the Ancho Transfer of Engagements to resume. This was proposed by Laurence Cassidy and seconded by Nigel Chapman on behalf of the Cairn board and proposed by Bill Finlay and Nigel Fortnum for the Ancho board.</p> <p>The remainder of the report was <b>noted</b>.</p>	<p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Noted</p>
6.2	<p><b>Draft Business Plan priorities</b></p> <p>Following on from the recent Board Strategy Day discussions, the goal was to set out the broad direction of the business plan, feeding in the staff tenant survey feedback as well as Board Members comments from May. The Business Case sets out longer term visions being referred to as the '20/30 vision' which ties in the feedback received in December. (Appendix 1)</p>	

	<p>Appendix 2 separates out the out day to day activity and ambitions with regards to our improvement projects to get an appropriate balance and identify where the resources are required across the business. The larger scale projects such as the ToE and the digital ambitions have been fed into the plan also.</p> <p>Development of the Risk Register and the Target Settings are still in the planning stages. Board will be presented with the Risk Register, Target Setting and final Business Plan in March following on from the Audit and Performance Committee’s review.</p> <p>Comments from the board are detailed below.</p> <ul style="list-style-type: none"> <li>• Document captures the direction of travel for the business.</li> <li>• Table on page 88 of appendix 2 can be developed slightly to include measurements on how we are achieving the targets.</li> <li>• Suggestion to use the Asset Management matrix developed by the team not only for the quality homes but for the thriving neighbourhoods beyond the voids and arrears to highlight areas that are showing as high turnover, anti-social behaviour, etc.</li> <li>• Indicators from the matrix can also be applied to value for money indicators to show areas which the organisation is progressing well and helping to set the overall direction moving forward.</li> <li>• The Asset Management review has provided a framework which has scope to be flexible and can change focus to suit this also.</li> </ul> <p>No further comments on the Business Plan, the remainder of paper was noted.</p>	<p>Noted</p>
<p>6.3</p>	<p><b>Development/AMDC report</b></p> <p><i>See separate Confidential minutes</i></p>	
<p>7</p>	<p><b>GROUP UPDATES</b></p>	
<p>7.1</p>	<p><b>Customer Services Project Review</b> (outline)</p> <p><i>See separate Confidential Minutes</i></p>	
<p>7.2</p>	<p><b>People Strategy Update</b></p> <p>Interim CEO advised the board further on the report as below</p> <ul style="list-style-type: none"> <li>• There have been challenges in HR over the last few months.</li> <li>• People Strategy will be presented alongside the Business Plan with the strategy intending to support staff to achieve work objectives and goals which link into the business success factors through training, development, systems, processes and procedure.</li> <li>• A review of what the staff need from the organisation as well as what the organisation needs from the staff moving forward.</li> <li>• Performance objectives for staff are set out in the business plan and will be monitored on a regular basis.</li> <li>• Supporting managers to ensure they are taking responsibility in each area.</li> </ul>	

	<ul style="list-style-type: none"> <li>Budget has been allocated to learning and development. Interim CEO to liaise with the team to see if there are any additional training topics to be covered and update the board at their next meeting.</li> </ul> <p>Consideration to be given to resourcing, the number of projects and their timescales.</p> <p>The Board <b>approved</b> the People Strategy review with Lizzie Crawford proposing and Nigel Capman seconding.</p>	<p>Action ICEO</p> <p>Approved</p>
7.3	<p><b>Annual Report on Staff Engagement and People Issues</b></p> <p>Winningtemp Survey collates comments anonymously from staff and are fed back to the HR team, exec team and relevant managers so that any issues which arise can be addressed in the early stages.</p> <p>Positive quarter therefore this looks to be turning around however there have been some issues which the team have been dealing with and training plans are in place for learning and development in this area.</p> <p>No further comment was made on the paper.</p>	<p>Noted</p>
7.4	<p><b>Dampness, Mould &amp; Condensation Update</b></p> <p>An overview of the situation was presented via a report to the board over a year ago in the wake of what was on the horizon and the reports which were surfacing.</p> <p>DPS provided the board with the below update</p> <ul style="list-style-type: none"> <li>A group wide tracker has been implemented to record cases consistently across the board with teams being able to access this information.</li> <li>Property and the Business Services teams have worked closely on the H&amp;S element of this.</li> <li>Work on making sure the new system coming into place has the same structure.</li> <li>Training has been rolled out to all staff as a mandatory module for DMC awareness.</li> <li>Further tenant communication to be circulated.</li> <li>Team liaising with the tenancy sustainment team in supporting tenants in getting the help needed e.g. fuel poverty support.</li> <li>More detailed hands-on training session from an external trainer is being considered.</li> <li>34 cases since April that have arisen across the whole of the group with 7 of these being resolved and 27 in varying stages of ongoing work.</li> </ul> <p>Members asked about the impact of fuel poverty on DMC issues, and it was agreed that this would be noted within case records.</p> <p>The report was noted with no further comments.</p>	<p>Noted</p>



<p>7.5</p>	<p><b>IT Project Plan Update</b></p> <p>DBS updated the Board on the below points</p> <ul style="list-style-type: none"> <li>• Status of the project– getting towards the end of the timeline.</li> <li>• 3<sup>rd</sup> data upload into the test system which has highlighted some known issues which are now looking to be resolved.</li> <li>• Project champions are acting as testers which has allowed for helpful positive feedback.</li> <li>• Live system data system will be used when rolling out the training in offices.</li> <li>• Start date for the live system will be 8<sup>th</sup> of April in line with the financial reconciliation allowing for us to start afresh with the data coming in after this date.</li> <li>• In the event of any issues on the start date, the old system will be running in the background for staff to revert back as a contingency plan.</li> <li>• Team comfortable the project is on time and on budget.</li> </ul> <p>Lizzie Crawford, Vice Chair, reassured the board after reviewing the project detail with the DBS and the IT Team that resilience was there in the project being delivered.</p> <p>A further update will be provided to the A&amp;P committee at their meeting in February.</p>	<p>Noted</p>
<p>7.6</p>	<p><b>Risk Register and New/Changed risks (if any)</b></p> <p>The risk of people and culture has been identified and is currently being developed within the risk register and monitored by the team.</p> <p>No further comments on the paper.</p>	<p>Noted</p>
<p>7.7</p>	<p><b>Q3 CHA and Ancho KPI's</b></p> <p>These are to be circulated to the March Board. Drive behind complaints figures was due to staff shortages in closing the complaints.</p> <p>KPI reporting will become a quicker, smoother process when the new system is in place. The quality of data being extracted however is dependent on the data being inputted by staff.</p> <p>The remainder of the paper was noted.</p>	<p>Noted</p>
<p>7.8</p>	<p><b>Items for Audit &amp; Performance Committee consideration</b></p> <p>Agenda for the A&amp;P meeting in Feb is a lengthy agenda. Therefore no further comment was made.</p>	<p>Noted</p>
<p>8</p>	<p><b>GROUP GOVERNANCE, REGULATION &amp; CORPORATE</b></p>	
<p>8.1</p>	<p><b>Chairpersons' Update Reports</b></p>	



	<p>CHA Chair provided a verbal update on the activities advising of the involvement in the resignation of the previous CEO as well as the new CEO recruitment. Involvement with the notifiable events and legal consultants also.</p> <p>Ancho Chair provided a verbal updated to advise of the involvement in the recruitment of the new CEO as well as attending the North Ayrshire Council's consultation meeting on the Housing Allocation Policy.</p>	Noted
8.2	<p><b>Governance &amp; Regulation Update</b></p> <p>GSM provided the Board with the below update</p> <ul style="list-style-type: none"> <li>Phylis Rodgers has resigned from the Ancho Board due to personal reasons. Board membership was kept low due to the pending ToE however recruitment is now required to be carried out because of 2 CHA members due for review in line with the 9-year rule and consideration of the succession planning going forward. Both Chairs will be consulted on this.</li> <li>JGB Development and Board Meeting in May – current date is a bank holiday therefore board members will be consulted on availability via an email poll to either split the meetings or have both on 30<sup>th</sup> and 31<sup>st</sup> of May.</li> <li>SHR have the closed 3 notifiable events as discussed in agenda item 1.</li> <li>Ancho Board had approved the content of the 2024 rent letters via email.</li> <li>CHA Board had approved the Options Appraisal – Group CEO/structure via email.</li> </ul> <p>The report was <b>noted</b></p>	<p>Action GSM</p> <p>Action GSM</p>
9	<b>GROUP DECISIONS TAKEN UNDER DELEGATED AUTHORITY</b>	
9.1	<p><b>Policy Updates</b></p> <p>There were no policy updates</p>	
10	<b>ANCHO BOARD</b>	
10.1.1	<p><b>Ancho (JGB) Minutes – 23 November 2023</b></p> <p>Minutes of the Joint Governing Bodies' Meeting of Cairn HA and Ancho held on 23 November 2023 were proposed by Colin Love and seconded by Bill Finlay and <b>approved</b>.</p>	Approved
10.1.2	<p><b>Ancho (JGB) Minutes – 23 November 2023 Confidential</b></p> <p>Previously circulated Minutes of the Joint Governing Bodies' Meeting of Cairn HA and Ancho (Confidential) held on 23 November 2023 were proposed by by Bill Finlay and seconded by Colin Love and <b>approved</b>.</p>	Approved
10.1.3	<p><b>Ancho (JGB) Strategy Minutes – 24 November 2023</b></p> <p>Minutes of the Joint Governing Bodies' Strategy Day Meeting of Cairn HA and Ancho held on 24 November 2023 were proposed by Bill Finlay and seconded by Suzie Lyons and <b>approved</b></p>	Approved

10.2	<p><b>Matters Arising</b></p> <p>Nothing other to raise.</p>	
10.3	<p><b>Action Tracker</b></p> <p>The Ancho Chair raised the ongoing action in relation to the pending transfer of the Ancho garages. It was advised the transfer is still going ahead but awaiting the new IT system being implement in April.</p>	Noted
11	<b>ANCHO ITEMS FOR DECISION/APPROVAL</b>	
11.1	<p><b>Ancho Budget Update</b></p> <p>A more detailed report will be provided to the board at their March meeting which will allow the board to see how the costs from the Riverbank are being reflected in the budget.</p> <p>The assumptions so far support the 5.7% rent increase and therefore would be a consistent approach taken across the group.</p> <p>There was no further comment from the board. Report was <b>noted</b>.</p>	Noted
11.2	<p><b>Rent Consultation Feedback and agree rent increase</b></p> <p>Consultation process received 7 responses which was slightly more than last year. There were no concerns in the feedback received.</p> <p>Ancho Chair added there might not be such a knock-on effect to Ancho tenants due to the majority of rent being funded by benefits.</p> <p>The Ancho Rent increase of 5.7% was proposed by Bill Finlay and Nigel Fortnum. The Board <b>approved</b> the proposed rent increase of 5.7%.</p>	Approved
12	<b>ANCHO UPDATES</b>	
12.1	<p><b>Operational Update</b></p> <p>Paper was <b>noted</b> with no further comments made.</p>	Noted
12.2	<p><b>Partnership Investment Delivery Update</b></p> <p>DPS advised that this was the final extended year on delivering the promises made, which were primarily kitchen replacements, essentially meaning all promises have been delivered.</p> <p>5/6 tenants declined a new kitchen which leaves the team with issues on storing the stock.</p> <p>Now planning the future investment programme, with the potential to accelerate bathroom replacements.</p> <p>Highlighted there is little in addition to offer the Ancho tenants via the transfer of engagements therefore this acceleration would be a positive.</p>	

	<p>Consideration of strategic disposal to be part of the asset management review.</p> <p>Riverbank issues have been addressed with the board earlier on in the agenda.</p> <p>No further comments were made.</p>	Noted
13	<b>ANCHO DECISIONS TAKEN UNDER DELEGATED AUTHORITY</b>	
	Nothing to note	
14	<b>AOCB</b>	
	There was no other business to note. The meeting closed at 5.30pm	
15	<b>DATE OF NEXT MEETING</b>	
	28 March 2024	