

MINUTES
JOINT GOVERNING BODIES BOARD MEETING
CAIRN HA AND ANCHO
Thursday 21 November 2024 at 2:00pm
Maldron Hotel, Glasgow and via Teams

Present:

Cairn HA
 Angus Lamont (Chair)
 Lizzie Crawford (Vice-Chair)
 Neil Wood
 Andrew Clark
 Laurence Casserly
 Donna Paton (Teams)
 Nigel Chapman (Teams)
 Steven Travers (Teams)

Ancho

Bill Finlay (Chair) (Teams)
 Nigel Fortnum (Vice-Chair)
 Suzie Lyons (Teams)
 Lindsay Robertson (Teams)
 Laurence Casserly (Teams)
 Steven Travers (Teams)

In Attendance:

Audrey Simpson, Chief Executive (CEO)
 Ken Tudhope, Director of Finance and Business Services (DFPS)
 Meg Deasley, Director of Property Services (DPS)
 Morag Boyter, Director of Business Services (DBS)
 Chris Milburn, Director of Customer Services (DCS)
 David McLaughlin, Digital and IT Manager (DIT), (*Item 1.1 only*)
 Louise Young, Community Support Worker (CSW), (*Item 12.3 only*)
 Carolyn Owens, Governance Services Manager (GSM) (*Minute*)
 Catherine Bradley, Governance Administration Assistant (GAA)

	Item	Decision/ Action
1	CHA BOARD	
1.1	<p>Board Members only session</p> <p>The Chair welcomed members. The DIT gave a presentation and verbal update on the IT system, security, risks, device use and requirements for Board members' to securely access the system.</p> <p><i>Staff members joined the meeting.</i></p> <p>Members agreed to take Item 12.3 following the Action Tracker item 1.6.</p>	Agreed
1.2	<p>Apologies</p> <p>A six months leave of absence (LOA), was approved for Douglas Reid and his apologies were noted.</p>	Approved Noted
1.3	Declarations of interest	

	Laurence Casserly declared an interest as an Ancho Board member and Nigel Chapman declared an interest as a PCE Director.	Noted
1.4.1	CHA (JGB) Minutes – 22 August 2024 Minutes of the Joint Governing Bodies’ Meeting of Cairn HA and Ancho held on 22 August 2024 were proposed, by Lizzie Crawford, seconded by Neil Wood and approved .	Approved
1.4.2	CHA AGM Minutes – 19 September 2024 Minutes of the Cairn HA AGM held on 19 September 2024 were noted .	Noted
1.4.3	CHA Minutes – 19 September 2024 Minutes of the Cairn HA Board Meeting held on 19 September 2024 were proposed, by Nigel Chapman, seconded by Angus Lamont and approved	Approved
1.5	Matters Arising There was none.	
1.6	Action Tracker The Action Tracker was noted .	Noted
12.3	KANDO Project Update Louise Young, CSW, gave an update presentation on the KANDO Project funded by the Scottish Government and delivered in partnership with CEIS Ayrshire. The project provides CBT and upskilling for young people aged 14-19 working with various partnership organisations throughout North Ayrshire. Louise highlighted challenges for the young people accessing the service, a case study, outcomes and the well used community hub. The Project Reports would be made available in Teams. Members raised the potential of nominating the project for a CIH Award and further discussed the funding challenges and implications. The Chair thanked Louise on behalf of the Board for her ongoing work.	Action LY
2	CHA ITEMS FOR DECISION/APPROVAL	
2.2	Service Sharing Agreement (SSA) between CHA and PCE The DFPS presented the proposed Service Sharing Agreement between Cairn HA and its commercial subsidiary PCE, highlighting that the Board would be presented with financial proposals as part of the budget approval process, and if approved the SSA would go to the PCE Board Meeting on the 28 November 2024 for PCE approval. At the proposal of Neil Wood, seconded by Lizzie Crawford, the CHA Board approved the contents of the Service Sharing Agreement between Cairn Housing Association Ltd and Pentland Community Enterprises Ltd.	Approved
3	CHA UPDATES	

3.1	<p>Q2 Management Accounts</p> <p>The DFPS presented the Q2 management accounts highlighting the surplus v budget variance due mainly to capitalised planned maintenance and depreciation. He referred to the summary report which provided further detail and explanation of the variances and closing balance.</p> <p>In response to a members' questions:-</p> <ul style="list-style-type: none"> - the DFPS advised that increased depreciation would not impact capital expenditure requirements, the stock condition survey may influence the assumed lifecycle of components but assumptions were fair, albeit there would always be a degree of risk, - the DPS advised that labour costs for medical adaptations were delivered by the Care & Repair Team funded by NHS as an external contractor, there was an administrative fee, - the DFPS advised that a detailed budget analysis including employment costs would be presented as part of the January Budget report. <p>The Q2 Management Accounts were noted.</p>	Noted
4	CHA DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
4.1	<p>Property Investment Contracts</p> <p>The DPS provided information on decisions taken under Delegated Authority by the Chair and Chief Executive:</p> <ul style="list-style-type: none"> - the appointment of contractors to deliver the final phase improvement works at Wimberley Court and provided a breakdown of costs/grant funding; - approval of a contract to deliver 74 kitchens in Highland. <p>It was confirmed that all costs were in the current budget and the Board noted the update.</p>	Noted
5	CHA AND ANCHO JOINT BOARD MEETING	
5.1	<p>Ancho Apologies</p> <p>Apologies were received from Colin Love, Andrew Latto and Fiona Callaghan (LOA).</p>	Noted
5.2	<p>Ancho Declarations of Interest</p> <p>There were none.</p>	
5.3	<p>AMDC Minutes – 31 October 2024 and Chair’s Update</p> <p>Minutes of the AMDC Meeting held on 31 October 2024 were noted.</p> <p>The AMDC Chair, Nigel Chapman, highlighted:-</p> <ul style="list-style-type: none"> - pace of investment was slightly behind schedule which would be addressed through the team structure, - the outcome of the internal audit would focus on programme delivery and management, 	

	<ul style="list-style-type: none"> - pilot surveys for the stock condition survey were complete, it was aimed to complete the project in 2-3 years with 2,000 completed by end of March 2025, - tenant feedback received on 19 September prior to the AGM on Pentland investment was positive, - the Lambhill newbuild development was expected to start in January 2025 following remediation sign-off, - 104 new homes had been delivered so far this year, - there was a potential commercial opportunity to provide rental accommodation for workers involved in large scale infrastructure projects across North Scotland for 5 years which would revert to social housing thereafter. Any tenancies retained after that period would likely move to a SST Lease, - retirement housing requires a clearly defined strategy which would be discussed at the Strategy Day, - Nigel congratulated the PS Team for their CIH Award nomination for the EnerPHit project in Wick. <p>The DPS explained the funding model and process for the potential commercial rents to workers and PCE's possible role. Conversations and information sharing with stakeholders were ongoing and it would potentially enable an acceleration of the development programme.</p> <p>The update was noted.</p>	<p>Noted</p>
<p>6</p>	<p>GROUP ITEMS FOR DECISION/APPROVAL</p>	
<p>6.1</p>	<p>Budget Assumptions</p> <p>The DFPS presented the budget assumptions to be applied to the budget for the financial year 2025/2026 which would allow the draft budget process to be carried out consistently. He explained that the assumptions would be reconsidered when the overall draft budget was presented to Board in January along with the outcome of GMB negotiations. The DFPS referred to the Golden Rules on covenant compliance, cash holding and the revolving credit facility, and major component replacement expenditure related to the stock condition survey as detailed in the report, and explained the proposed revisions.</p> <p>In response to members' questions, the DFPS advised-</p> <ul style="list-style-type: none"> - the covenant compliance changes would be subjected to sensitivity analysis, including potential impacts of the investment programme and wider economic volatility; - the revolving credit facility incurs non-utilisation fees but is in place to support liquidity. Once drawn, any unused funds could be deposited back into the facility to minimise interest costs; - the covenant compliance figure was a minimum, would be for a temporary period, and would be managed very closely and assessed long term to mitigate any risk. The Board would be provided with good quality timely management information to monitor compliance. <p>The DPFS gave an overview of the assumptions highlighting the changes to payroll which would be affected by the employers NI increases, and rental income. In response to members' questions an 'efficiencies and productivity</p>	

	<p>improvements' percentage would be presented in January; the increase in NI would amount to a 2.7% payroll increase; and the rental income was based on the information in the rent consultation paper.</p> <p>At the proposal of Nigel Chapman, seconded by Neil Wood, the key economic assumptions to be applied to the draft 2025/26 budget were approved.</p>	<p>Action DFPS</p> <p>Approved</p>
<p>6.2</p>	<p>Rent Proposal For Consultation</p> <p>The DCS presented proposals for the 2025/2026 rent increase consultation on one option of a 3.9% increase for CHA tenants, excluding former Pentland HA and Townhead tenants who were under other contractual arrangements. He highlighted rent affordability and our intention to introduce use of the SFHA affordability toolkit next year, advised that around half of tenants were in receipt of Housing Benefit or Universal Credit, and there were a range of provisions in place to support customers including Welfare Benefit officers and the emergency finance support fund. He referred to last year's rent consultation where 69% of responders considered their rent provided good value for money and this year's feedback would be considered in January prior to any decision on rent increases.</p> <p>The DFPS advised that CPI was not a representative index of the organisation's costs which are heavily weighted towards repair and maintenance costs, and as a service organisation payroll costs which are negotiated with the GMB Union normally using RPI as a base. The recent employer's NI increases would result in a 2.7% increase in the budget, equivalent to 0.9% of rental income. The proposed increase was aimed at achieving a balance between keeping rents affordable and meeting Business Plan objectives.</p> <p>In response to members' questions:-</p> <ul style="list-style-type: none"> - the DCS would bring some anonymised tenant cases to the January meeting for context on UC/WB/self-funder affordability implications, - the communication plan includes a web form (linked to via a QR code) for tenants to add their priorities and comments, and phone calls from an independent research organisation to a sample group of tenants. - Communication has been reviewed to ensure relevant language is used and tenants in Courts will have in-person meetings in January and February to discuss the 2025/26 service charges - Progress on the tenant engagement strategy in 2025 will enable us to more proactively analyse tenant priorities and other feedback. - the DFPS advised the intention is to propose a figure that works with the Business Plan to maintain service levels, not an inflation+ narrative, - the increase applies from 1 April 2025, feedback will be provided in January and presented for approval of the rent increase then, - there were fewer than 10 properties still to harmonise rents, - comparisons of the 3.9% to other inflation figures were core CPI (which excludes food and energy price changes) 3.3%; services CPI 5.0%; RPI 3.4%, and CPIH (which includes owner occupier housing costs) 3.2% - the average cash-term increase was around £3.80 per week. <p>At the proposal of Angus Lamont, seconded by Andrew Clark, the Board approved a consultation for 2025/26 rents based on an increase of 3.9%</p>	<p>Approved</p>

	<p>applying to all properties other than those contractually linked to other arrangements as documented in the paper who will be consulted separately.</p> <p><i>The Meeting was paused for a 10 minute break</i></p>	
6.3	<p>Group Board Training and Development Plan</p> <p>The GSM presented the Plan for 2024/2025 highlighting that it may be amended during the year to address sector issues/risks, and the approach was to assist members with time commitments by delivering (recorded) online sessions and other core modules on LearnPro. Short pre-Board bite-size sessions would also be introduced. Details were provided in the Appendix. In response to a member’s question the GSM would discuss with OD the potential to just do exams on LearnPro if members had prior knowledge, and to streamline the list of core modules. Members were reminded to complete the cyber-security training module, and opportunities for stock visits and other site visits would be provided where possible.</p> <p>The 2024/25 Group Board Training and Development Plan was proposed by Lizzie Crawford, seconded by Neil Wood and approved.</p>	<p>Action GSM</p> <p>Approved</p>
7	GROUP UPDATES	
7.1	<p>CEO’s Report</p> <p>The CEO gave an overview of the report highlighting:-</p> <ul style="list-style-type: none"> - the Business Plan projects and related operational/departmental plans currently being developed to identify interdependencies and cohesion between teams, and to ensure the organisation is progressive, continually improving and setting out individual teams' objectives the direction of travel. In response to a member’s question the operational plans would be measured and this was to be developed, - CEO held a session with ELT setting out assessment of Cairn, where we are an organisation and discussion points for areas of improvements. This was well received by the Exec and an action plan is being developed setting out the change. - CEO has commissioned Insights profiling for the ELT as a tool to develop a cohesive leadership team, as well as provide a foundation for self-reflection/awareness as part of our commitment to continuous development. Exec also engaged in Executive Coaching sessions, and this will continue to support colleagues to drive the change. Executive Leadership Team Away Day has been arranged for January 2025. - current challenges were the Scottish Government’s signification reductions to the aids and adaptations budget and we were working with SFHA to lobby and respond to this, the issue would be discussed further at the Strategy Day. - the Scottish Government’s budget for capital commitments was expected to reduce over the next 5 years however we continue to aspire to develop affordable housing within the parameters of financial capability and risk appetite. <p>The report was noted.</p>	<p>Noted</p>
7.2	Ancho ToE Project Plan	

	<p>The CEO presented the update highlighting the two forthcoming Ancho SGM's and the Cairn Special Board meeting to approve the transfer, the OSCR application and work on further integration was ongoing.</p> <p>The report was noted.</p>	Noted
7.3	<p>Pentland Delivery Update</p> <p>The Chair advised he had attended the AGM in Thurso and had received positive feedback from the former Pentland Board members and tenants. The DPS presented the report and highlighted support given to customers on energy advice, the DPS provided an update highlighting good progress on investment and maxing out of local contractor capacity, the housing needs assessment and steady demand in the area, and a potential new build opportunity in Caithness.</p> <p>The report was noted.</p>	Noted
7.4	<p>Development & Asset Management Update</p> <p>The DPS presented the report and highlighted that the electrical safety programme, reported into the A&P Committee, was progressing well. In response to a member's question, forced entries access were attended by a Maintenance Officer and a Tenancy Officer.</p> <p>The report was noted.</p>	Noted
7.5	<p>Business Plan Projects Updates</p> <p>The DBS provided an update on the Business Plan projects at the 6 month point advising that the Areas of Operation project had been rescheduled to link into the stock condition survey information and the Vision and Values project had been rescheduled to tie into the work to be discussed at the closed Board session being held with CEO. A Factoring Services project had been added and the Business Plan was progressing well.</p> <p>The report was noted.</p>	Noted
7.6	<p>ARC Consultation Response</p> <p>The DBS presented the report and appendix in the Teams channel. She highlighted sector responses to the consultation, referred to the H&S information changes and pointed members to the H&S Scorecard which used the ARC format. An update on the outcome of the consultation would be provided at the next meeting.</p> <p>The report was noted.</p>	Noted
7.7	<p>Q2 Write-off Report</p>	

	<p>The DCS gave an overview of the report and Appendix which provided additional mid-year detail on write-offs, leading up to a more comprehensive arrears and write-offs report to be produced in May 2025. Further details on financial information, area, property types, bands and benchmarking information was provided as detailed in the appendices.</p> <p>In response to a members' questions on former tenant arrears write-offs, the DFPS advised that 100% was provided for accounting purposes but the arrears were still pursued. The DCS gave an overview of the process for debt and write-offs and advised that more information on recovery and supporting tenants would be provided at the next meeting. He advised that the arrears process was being reviewed in the Homemaster system to provide additional information on timings of rent payments.</p> <p>The report was noted.</p> <p><i>5:00pm - The Board agreed to continue the meeting</i></p>	<p>Noted</p>
<p>7.8</p>	<p>ICT Update</p> <p>The DBS advised that the Homemaster system was now operational and gave an overview of progress, issues and next steps of the project as detailed in the report.</p> <p>In response to a member's question the DBS advised that no data loss had occurred during the transition. The report was noted.</p>	<p>Noted</p>
<p>7.9</p>	<p>CHA and Ancho KPI's</p> <p>The DBS presented the combined KPI report and highlighted challenges on indicators:-</p> <ul style="list-style-type: none"> - emergency repairs was slightly ahead because repairs are now processed through the Homemaster system via input through a contractor portal and there were a few date inaccuracies so there will be further training, and once these figures were taken out the KPI was within target, - the Customer Experience Manager was working with the team to tackle stage 1 complaints within timescale by monitoring staff interaction with customers, generating contact logs and proactively managing it in the system, - voids performance figures were very low and we are working through a process to validate the data, prior to full discussion at A&P Committee, - arrears figures were within tolerances, and would level out, - ASB performance has improved, a workflow in Homemaster had helped. <p>In response to a members' question the percentage of rental income collected to date was being looked at, the transition to Homemaster has impacted some of the figures and was being worked on, and ASB would be monitored following ASB teams changes at Glasgow City Council.</p> <p>A KPI's update would be presented to the next A&P Committee. In response to a member's question operational KPIs would be provided on a monthly basis, the KPI reports would be presented quarterly.</p>	<p>Action DBS Noted</p>

	The report was noted .	
7.10	Risk Register and new risks to add The Risk Register would be discussed at the Strategy Day.	
7.11	Items for Audit & Performance Committee consideration There were no additional items to consider.	
8	GROUP GOVERNANCE, REGULATION & CORPORATE	
8.1	Chairpersons' Update Reports The CHA Chair gave an update on activities since the last meeting including attendance at the AGM in Thurso, meetings with the CEO and DFPS and Vice-Chair. The Ancho Chair gave an update on activities since the last meeting including the final Board self-assessment and discussions with the DCS and DFPS regarding bad debts.	Noted Noted
8.2	Governance & Regulation Update The GSM presented the update and highlighted: the A&P Committee Chair and one other member of the A&P Committee would be called on to participate in the internal audit procurement process; recent annual returns submissions; one notifiable event; and committee and working groups would be discussed under AOCB. The report was noted .	Noted
9	GROUP DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
9.1	Policy Updates – the DPS advised the Asbestos Policy had been updated and was available in the Teams channel to view. <i>The CHA Chair handed over to the Ancho Chair</i>	Noted
10	ANCHO BOARD	
10.1.1	Ancho (JGB) Minutes – 22 August 2024 Minutes of the Joint Governing Bodies' Meeting of Cairn HA and Ancho held on 22 August 2024 were proposed, by Nigel Fortnum, seconded by Lindsay Robertson and approved .	Approved
10.1.2	Ancho AGM Minutes – 12 September 2024 Minutes of the Cairn HA AGM held on 12 September 2024 were noted .	Noted
10.1.3	Ancho Elections Minutes – 12 September 2024 Minutes of the Cairn HA Board Meeting held on 12 September 2024 were proposed by Nigel Fortnum, seconded by Suzie Lyons and approved	Approved

10.2	<p>Matters Arising</p> <p>There were none.</p>	
10.3	<p>Action Tracker</p> <p>The Action Tracker was noted.</p>	Noted
11	ANCHO ITEMS FOR DECISION/APPROVAL	
11.2	None.	
12	ANCHO UPDATES	
12.1	<p>Q2 Management Accounts</p> <p>The DFPS presented the accounts highlighting a surplus of £161k. The main variances from budget had occurred due to professional fees related to the Riverbank, intercompany charges, planned maintenance capitalisation, and reactive maintenance. Riverbank fees will be set off against £1.9m the provision previously made in the year-end accounts. The new IT system would be able to provide itemised information and average costs to highlight larger maintenance variances. A table had been provided on bad debt information and provision levels based on size of debt. The DPS was monitoring spend against repairs and advised that some component items would be capitalised rather than charged to revenue once the exercise was complete.</p> <p>The report was noted.</p>	Noted
12.2	<p>Operational Update</p> <p>The DCS presented the report which was noted.</p>	Noted
12.3	KANDO Project Update <i>(taken after Item 1.6)</i>	
12.4	<p>Asset Management Update</p> <p>The DPS highlighted the resurfacing works being completed via the Local Authority had commenced, following which the roads would be adopted by the Council. The investment budget was allocated to leave capacity for the Riverbank investment.</p> <p>The report was noted.</p>	Noted
12.5	<p>Annick Riverbank Update</p> <p>The DPS advised the willow had been installed to provide additional stability and the works contract should be tendered in January 2025. Local affected residents were sent letters and an event was organised but was unattended. Direct individual conversations would take place once the detailed plans are in place and the contract starts. The project was progressing well with the planning application and SEPA licensing in progress. The CEO advised no acknowledgement, or response had been received from Scottish Government, following her letter.</p> <p>The report was noted.</p>	Noted

13	ANCHO DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
	-	
14	AOCB	
14.1	<p>Committees and Working Groups Information/Recruitment</p> <p>The GSM highlighted memberships of the Committee and Working Groups and thanked members who had recently volunteered for these. She highlighted the need for more members on the AMDC Committee and the AMDC Chair highlighted this was a fundamental committee. It was agreed that Nigel Fortnum, Andrew Latto and Suzie Lyons would join the Audit & Performance Committee and Donna Paton would join the AMDC.</p> <p>The Board Recruitment Policy would be reviewed to clarify the expectation for new members to join a Committee or working group from the outset. The Terms of Reference for Committees would be available in the JGB Teams channel.</p>	Action GSM
15	DATE OF NEXT MEETINGS	
	Group Boards Strategy Day – 22 November 2024 JGB Board - 30 January 2025	

The meeting ended at 6:00pm