

**MINUTES OF THE JOINT GOVERNING BODIES
of Cairn HA and Ancho held on
Wednesday 28 May 2025 at 2:00pm
at 22 Hopetoun Street, Edinburgh and via Teams**

Present:

Cairn HA

Angus Lamont (Chair)
Lizzie Crawford (Vice-Chair)
Neil Wood
Nigel Chapman
Douglas Reid (Teams)
Andrew Clark, (Teams)
Steven Travers, (Teams)

Ancho

Steven Travers
Andrew Latto, (Teams)
John Duncan

In Attendance:

Audrey Simpson, Chief Executive (CEO)
Ken Tudhope, Director of Finance and Business Services (DFPS)
Morag Boyter, Director of Business Services (DBS)
Chris Milburn, Director of Customer Services (DCS)
Carolyn Owens, Governance Services Manager (GSM) (*Minutes*)
Catherine Bradley, Governance Administration Assistant (GAA)
Kirstine Walker, Corporate Officer (Teams)

	Item	Decision / Action
	Board Members of CHA & Ancho invited to all items.	
1	CHA BOARD	
1.1	Board Members only session (GSM present) Members discussed the day's Agenda and highlighted any issues they wished to raise. It was noted that the Ancho Board would not be quorate. It was agreed by Ancho members that Steven Travers would Chair for Ancho. <i>All staff members joined the meeting.</i>	Agreed
1.2	Apologies Apologies were received from Laurence Casserly and Donna Paton.	Noted
1.3	Declarations of Interest Nigel Chapman and Steven Travers declared an interest as Directors of PCE.	Noted
1.4.1	CHA (JGB) Minutes – 28 March 2025 Minutes of the Joint Governing Bodies' Meeting of Cairn HA and Ancho held on 28 March 2025 were proposed by Lizzie Crawford, seconded by Neil Wood and approved .	Approved

1.4.2	CHA (JGB) Minutes (Confidential) – 28 March 2025 Minutes of the previously circulated Joint Governing Bodies' Meeting of Cairn HA and Ancho (Confidential) held on 28 March 2025 were proposed by Lizzie Crawford, seconded by Neil Wood and approved .	Approved
1.5	Matters Arising A member asked for an update on target dates under Item 5.5 of the Minutes. The DPS advised that IA Actions would filter down to the A&P Committee, and was part of the IA Report presented to the last A&P Committee meeting.	
1.6	Action Tracker <u>Item 1 – Customer Feedback</u> A member asked for an update on the target date. The DCS advised that the delay had been due to ongoing development of the Tenant Engagement Strategy which would be presented to the Board at their August meeting for approval, and which would include a proposal to form a group of tenants to feedback and look at KPI's. October 2025 was the new target date for this task.	Noted
2	CHA ITEMS FOR DECISION/APPROVAL	
2.1	There was none.	
3	CHA UPDATES	
3.1	Q4 Management Accounts The DFPS presented the report, highlighting:- <ul style="list-style-type: none"> - Income fluctuations, particularly in rent which was lower than budgeted due to the treatment of rent within the HomeMaster system, OOM properties and new development running slightly overdue. Overall rent less void loss was £80k ahead of budget resulting in a positive variance. - The medical adaptations budget was significantly impacted by cuts from the Scottish Government, resulting in only 43% of the budgeted amount being received, some adaptations had been completed from the planned maintenance (PM) budget. - Employment costs were 6% higher than budgeted due to temporary cover for absences, overtime, and agency costs. The 2025/26 budget has now provided for this. The recruitment process and business case requirements for any new posts was highlighted. - Planned maintenance costs were less than budgeted, with some projects being carried over to the next year. - Some cyclical maintenance costs would be re-allocated from PM. - The new system highlighted an understatement of depreciation in the past resulting in a higher than budgeted variance. - There was an overall deficit of £147k, offset slightly by a gain in sale and a positive move in pension liability. The 30 year projections would show how surpluses would be restored in future. - Overall the covenant calculation was well ahead on interest cover and the gearing cover covenant was 42% out of a maximum 65%, again satisfactory. 	

	<p>The DFPS asked for any questions. In response to members' questions the DFPS advised on:-</p> <ul style="list-style-type: none"> - the approach to depreciation; the DFPS said the accounting policy hasn't changed but it may in future depending on the outcome of the stock condition survey and assessment of useful lives of property components. - employment costs; when a post becomes vacant there is not an automatic replacement; it is viewed as an opportunity to review the post remains appropriate for the business and all of the Exec were very conscious of that. - if these were current year specific fluctuations or will trends continue; the budget had been prepared in Feb/Mar 2025 based on the anticipated current position as opposed to historic, which is reflected in 30 year model. - at the request of a member the DFPS would re-issue the page with comments to reflect on the granularity of each line. - were fixed costs too high; all costs were being scrutinised, this was an unusual year due to the leap in the accounting entry for depreciation of £800k and an overspend on reactive maintenance. The majority of PM was capitalised which doesn't affect the overall position. Although there was a marginal deficit from a cash point of view the outturn was still positive. Exec team was very conscious of controlling spending and looking at benchmarking. <p>The report was noted.</p>	<p>Action DFPS</p> <p>Noted</p>
4	CHA DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
4.1	None.	
5	CHA AND ANCHO JOINT BOARD MEETING	
5.1	<p>Ancho Apologies</p> <p>Apologies were received from Bill Finlay, Colin Love, Suzie Lyons, Nigel Fortnum, Lindsay Robertson and Laurence Casserly.</p>	Noted
5.2	<p>Ancho Declarations of Interest</p> <p>Steven Travers declared an interest as a PCE Director.</p>	Noted
5.3	<p>PCE Minutes – 1 May 2025</p> <p>The PCE Vice-Chair Nigel Chapman provided an overview including awaiting a garage valuation, bringing management in-house, assessing Lambhill units for MMR feasibility and that the voids issue is improving. The DPS added that the intention was to run the feasibility study at completion date and there was a notional waiting list for MMR units indicating confidence in demand.</p> <p>Minutes of the PCE Meeting held on 1 May 2025 were noted.</p>	Noted
5.4	<p>Audit & Performance Committee Minutes - 15 May 2025</p> <p>The Committee Chairperson, Lizzie Crawford, provided an overview of the meeting highlighting that the former internal auditors, RSM, had run through open actions and there had been some issues with the data. WBG, the new internal auditors, had presented the Internal Audit Plan for 2025/26 which</p>	

	<p>would focus on the assurance statement, voids procurement and reactive repairs. Lizzie raised the volume of items on the Agenda which remained a concern for the A&P, the Chair highlighted this would be discussed as part of the Governance session at the forthcoming Development Day.</p> <p>Minutes of the Audit & Performance Committee Meeting held on 15 May 2025 were noted.</p>	Noted
6	GROUP ITEMS FOR DECISION/APPROVAL	
6.1	<p>30 and 5 Year Financial Projections (FYFP) and Loan Portfolio Return</p> <p>The DFPS presented the annual 30-year financial projections focusing on covenant compliance, cash balances to achieve the organisation's objectives, management costs and surpluses as detailed in the report. He discussed the impact of new developments and the importance of controlling costs and benchmarking highlighting:</p> <ul style="list-style-type: none"> - management costs were benchmarked against other organisations, showing that Cairn is slightly below average, - the projections show surpluses moving in the right direction, with a focus on keeping figures within stated parameters, assisted by the Ancho transfer which had a positive impact on trading position and assets, - compliance with covenants was discussed, with a focus on ensuring cash availability and the impact of capitalised planned maintenance, - an overview of the loans, balances and future repayment projections was discussed and a further update on financing requirements would be presented at a future meeting when the stock condition survey results were available, - new developments, including schemes in Lambhill and East Whitburn, were included in the projections, with a focus on their positive long-term effects, - efforts to control costs tightly and bring in more benchmarking were emphasised, - the financial golden rules alluded to in the report. <p>In response to members' questions the DFPS advised:-</p> <ul style="list-style-type: none"> - the main risks in the projections were: those not under our control including inflation which was covered under the sensitivity analysis; maintenance cost inflation if it exceeds rent increases which are subject to affordability restrictions; investment costs can be partly mitigated through procurement, asset data and flexibility on programme delivery; the level of employment costs was a risk but under our control. - A member asked for risks to be discussed at the Strategy Day Agenda including the cost risk of transition to net-zero, the CEO advised that the sector continued to lobby the Scottish Government on this. <p>At the proposal of Steven Travers, seconded by Nigel Chapman the Board approved the 30 yr and 5 yr FP and loan portfolio return submission to SHR.</p>	Approved
6.2	Treasury Management Policy	

	<p>The DFPS highlighted changes to the Policy and requested Board to approve the updated signatory mandate for the Nationwide loan which had been transferred from Ancho to Cairn as part of the Transfer of Engagements as detailed within the report.</p> <p>At the proposal of Lizzie Crawford, seconded by Nigel Chapman the Board approved the updated Treasury Management Policy and authorised signatories for the Nationwide Loan as any one of Angus Lamont, Audrey Simpson or Ken Tudhope.</p>	Approved
6.3	<p>Procurement Policy and Strategy and Corporate Social Responsibility Report</p> <p>The DFPS presented the report and explained the changes to the Policy including the addition of risk and legal sections, updates to roles and responsibilities, removal of reference to Cairn's procurement threshold, changes to monitoring reporting requirements, and that an annual procurement report would be presented to the Board.</p> <p>In response to members' questions the DFPS advised that we will continue to engage with and manage suppliers to achieve best value to Cairn. A question was raised on what proportion of expenditure is off-contract – the DFPS would report back. There was a KPI for supplier payments but not overall procurement amount as this changes yearly and depends on an assessment of resources to deliver within the budgeted timeframe. The DPS advised the investment team work to ensure delivery plans, timescales and resources are mapped with procurement activity. Work is aligned to the investment plan programme and structures are in place to manage it. All contracts are in the budget, have a named officer and PS team members are responsible for contracts and involved in the procurement process.</p> <p>The Procurement Policy and Strategy and CSR report were proposed by Steven Travers, seconded by Nigel Chapman and approved.</p>	<p>Action DFPS</p> <p>Approved</p>
6.4	<p>Electric Car Scheme</p> <p>The DFPS presented the report and an overview of the salary sacrifice electric car leasing scheme explaining that employees cover the entire costs. Mitigations were in place and legal advice had been sought on potential risks where an employee left the organisation. There would be a small National Insurance reduction for the organisation and the scheme would contribute towards its ESG credentials.</p> <p>In response to members' questions, it was confirmed that staff are made aware of the tax implications, the lease costs cover car insurance and therefore does not affect the organisation's insurance or no claims bonus. If a scheme car was used on Cairn business then only HMRC company car allowances would be reimbursed so there was potential to bring in an essential car user allowance for high mileage users which the DFPS would report back to Board on. Members provided their experience and positive feedback on the schemes run by their own employers and were content with the risk mitigations.</p>	Action DFPS

	At the proposal of Angus Lamont, seconded by Neil Wood the electric car leasing scheme was approved .	Approved
6.5	<p>ARC Submissions</p> <p>The DBS gave a presentation of the CHA and Ancho ARC submissions. She highlighted that the Ancho information was being merged into Cairn for next year's ARC and then reported on one exceptional circumstance for CHA gas safety, non-emergency repairs including urgent and routine, and number of significant storm events. Stock information was reviewed, noting the delivery of 104 units and the improvement in SHQS compliance. Emergency repairs increased by 20%, and non-emergency repairs were affected by storm events, impacting the average number of days to complete. The average number of days to complete medical adaptations increased due to funding delays. Income and voids were discussed, noting the impact of large-scale cases and the improvement in days to re-let properties.</p> <p>The CHA ARC submission was proposed by Lizzie Crawford, seconded by Angus Lamont and approved.</p> <p>The Ancho ARC submission had been circulated via email and was approved by the Ancho Chair, Bill Finlay and all Ancho members present.</p>	<p>Approved</p> <p>Approved</p>
7	GROUP UPDATES	
7.1	<p>CEO's Report</p> <p>The CEO presented the report and provided updates on the programme for government, including winter fuel payments, affordable housing supply, aids and adaptations funding, and the new Awaab's Law. She also discussed the challenges of rent controls related to MMR, transition to net zero, rent affordability, the social housing net zero bill which was due to replace EESSH 2 will be taken forward by new parliament circa summer 2027, changes to EPC certificate duration, changes to human rights legislation and lack of affordable housing for tenants in rural communities. She also emphasised the importance of lobbying for sector support which members discussed further and which could be raised with SFHA once their new CEO is appointed.</p> <p>The report was noted.</p>	Noted
7.2	<p>Customer Services Vision – Confidential</p> <p><i>See separate Confidential Minutes</i></p>	
7.3	<p>Arrears and Write-Off Report</p> <p>The DCS presented the detailed report and highlighted that total rent collected was consistently over 100%, current tenant arrears for Ancho and CHA had some increases some due to timing of HB/UC payments, referred to historical trend information, former tenant arrears, section 5 evictions in 24-25, welfare benefit gains made by the Income Team who won a SHARE Award. He gave an overview of write-offs and said that increased energy costs were passed on to customers also facing other pressures, and highlighted the new mobile</p>	

	<p>phone app Lightning Reach to identify benefits to which tenants might be entitled.</p> <p>In response to members comments on the percentage of rent due, there had been an increase and the data would be refined for future years so that what has been collected from previous years arrears could be separated out, as the delay in HB payments could be material. The DCS advised Homemaster data would enable the team to focus on cases needing most attention.</p> <p>The report was noted.</p>	Noted
7.4	<p>Care & Repair Service Update</p> <p>DPS presented the report highlighting a small surplus of £10k and the successful and positive impact of the service to keep customers in homes, reminding members it was contracted to NHS Highland with a tender bid currently in progress. The service would continue to be provide and Board would be updated on the outcome of the tender bid.</p> <p>The report was noted.</p>	Noted
7.5	<p>Annual Declarations of Interest Register</p> <p>The GSM presented the annual declarations of interest register. Some additional items were tabled by Board members at the meeting and would be added to the Register.</p> <p>The report was noted.</p>	Noted
7.6	<p>Gifts and Hospitality Register</p> <p>The GSM presented the annual Gifts and Hospitality Register which was noted.</p>	Noted
7.7	<p>Development & Asset Management Update</p> <p>The DPS presented the report advising on good progress with the stock condition survey, it was now on Year 2 data collection the in house teams were matching and verifying data and looking at any with SHQS fails, as well as tracking works orders for audit purposes. The data would feed through to the planned maintenance and repairs programme and no major concerns were reported.</p> <p>In response to Chair's question the DPS advised in relation to access to properties and completion of energy projects in Tower Hill in Thurso. Discussions for potential funding for retrofit were ongoing, Morlich Court was to be determined by the Highland Council Planning Committee. Discussions with (<i>redacted</i>) were slow, the funding offer has not been finalised, and work with tier 1 contractors to facilitate community benefit were progressing.</p> <p>The report was noted.</p>	Noted
7.8	Riverbank Report	

	<p>DPS provided an update on the riverbank erosion work, discussing the challenges of environmental restrictions and the need for mitigation measures. The survey for otters confirmed their presence, requiring an additional licence to be obtained. The DPS confirmed that the timelines were still within the window of opportunity for the environmental constraints, but the tender exercise would need to be completed before timing and costs could be confirmed. There had been pre-tender engagement with contractors should there be changes to the timescales.</p> <p>The report was noted.</p>	Noted
7.9	<p>Communication Review Action Plan update</p> <p>The DBS provided an update advising that the new strategy and action plan had been presented to Executive Team for comments and would be presented to the Board in August.</p> <p>The report was noted.</p>	Noted
7.10	<p>Customer Services Project Update</p> <p>The DCS updated members on four projects in the business plan and progress on implementation of the work in the Lochbrae Court action plan which has improved matters. Tenant meetings and TPAS, further meetings on service charged were held.</p> <p>The report was noted.</p>	Noted
7.11	<p>Risk Register and new risks to add</p> <p>There was nothing to add.</p>	
7.12	<p>Items for Audit & Performance Committee consideration</p> <p>There was nothing to add.</p>	
8	GROUP GOVERNANCE, REGULATION & CORPORATE	
8.1	<p>Chairpersons' Update Reports</p> <p>The Chair provided a verbal update on activities since the last meeting including attendance at the celebration to mark the Ancho/Cairn Transfer of Engagements in Irvine, meeting with staff in the Inverness office and regular meeting with the CEO and Executive Team.</p>	Noted
8.2	<p>Governance & Regulation Update</p> <p>The GSM presented the report and provided an update on the annual appraisals process, the AGM to be held in Irvine on 3 September, the Board nomination process, changes to Charity Law requiring Trustee information which members would receive further information about, and the Development Day which would be rescheduled. The report was noted.</p>	Noted
9	GROUP DECISIONS TAKEN UNDER DELEGATED AUTHORITY	

9.1	Policy Updates – None <i>The CHA Chair handed over to Steven Travers to Chair the meeting for Ancho</i>	Verbal
10	ANCHO BOARD	
10.1	Ancho (JGB) Minutes – 28 March 2025 for approval Due to the Ancho board being inquorate it was agreed to circulate the Minutes for approval via email. <i>[Post meeting note: Minutes were approved via email]</i>	Agreed
10.2	Ancho (JGB) Minutes (Confidential) – 28 March 2025 Due to the Ancho Board being inquorate it was agreed to circulate the Minutes for approval via email. <i>[Post meeting note: Minutes were approved via email]</i>	Agreed
10.3	Matters Arising None	
10.4	Action Tracker Noted	Noted
11	ANCHO ITEMS FOR DECISION/APPROVAL	
11.1	-	
12	ANCHO UPDATES	
12.1	Q4 Management Accounts The DFPS presented the Ancho Q4 accounts highlighting the overall position. The coding was inconsistent for the environmental improvements resulting in the £250k budget reported within Planned maintenance so the DFPS would recirculate the accounts with updated notes. This reallocation would not affect the overall reported surplus. The report was noted .	Noted
13	ANCHO DECISIONS TAKEN UNDER DELEGATED AUTHORITY None. <i>The Ancho Chair handed back to the CHA Chair</i>	
14	AOCB	
14.1	None	
15	DATE OF NEXT MEETING JGB Development Day postponed from 29 May 2025 COSLA, Edinburgh, and will be rescheduled. JGB Board Meeting – 21 August 2025 (Teams) <i>[Post meeting note: the next meeting was rescheduled to 28 August 2025]</i>	

The meeting finished at 5:00pm