MINUTES OF THE MEETING OF
CAIRN HOUSING ASSOCIATION BOARD held on
Thursday 27 August 2026 at 2:00pm
Via Teams

Present: Angus Lamont (Chair)
Lizzie Crawford (Vice-Chair)
Andrew Latto
John Duncan
Nigel Fortnum
Neil Wood
Andrew Clark
Mairi Keddie
Karen Fitzsimons

In Attendance: Audrey Simpson, CEO
Ken Tudhope, Director of Finance, IT and Risk (DFITR) (Teams)
Chris Milburn, Director of Customer Services (DCS)
Jo MacLennan, Director of People & Insights (DPI)
Andrea Paterson, Interim Director of Property Services (DPS) (Teams)
Carolyn Owens, Governance Services Manager (GSM) (Minutes)
Mark McCabe, Observer

	Item	Decision / Action
1	**CHA BOARD**	
1.1	**Board Members only session** Members considered the CEO's Objectives (Confidential) which were noted, and discussed asset management.	Noted
1.2	**Apologies** Apologies were received from Suzie Lyons, Claire Blacka, Steven Travers, Douglas Aitken and Douglas Reid	Noted
1.3	**Board Membership** Following a recent recruitment exercise the Chair introduced new Board members. Co-options previously approved via email were Mairi Keddie, Douglas Aitken, Karen Fitzsimons and Claire Blacka. Mark McCabe also attended as an observer. The Chair thanked Laurence Casserly who was stepping down at the AGM for his 10 years' service on the Board.	
1.4	**Declarations of Interest** Angus Lamont, Lizzie Crawford and John Duncan declared an interest in Item 3.9, Board Remuneration Policy.	Noted

1.5.1 1.5.2 1.5.3	**CHA Minutes – 27 May 2026** The Minutes of the Cairn HA Meeting, and (Confidential) Minutes held on the 27 May 2026, were proposed by Nigel Fortnum, seconded by Andrew Latto and **approved.** Minutes of the CHA Strategy Day held on 28 May 2026 were proposed by Lizzie Crawford, seconded by Nigel Fortnum and **approved.**	 Approved Approved
1.6	**PCE Minutes – 10 June 2026** Minutes of the PCE Meeting held on 20 August 2026, (including approval of PCE accounts by PCE), were **noted.**	 Noted
1.7	**Audit & Performance Committee Minutes - 4 August 2026** The Chair of the A&P Committee gave a verbal update from the meeting highlighting discussions on keeping to financial plans and considering ways to generate additional surplus. Minutes of the Audit and Performance Committee held on the 4 August 2026 were **noted.**	 Noted
1.8	**AMDC Minutes – 13 August 2026** The AMDC Chair advised that the Committee had discussed compliance and Dewar Court. Minutes of the AMDC meeting held on the 13 August 2026 were **noted.**	 Noted
1.9	**Matters Arising** There were none.	
1.10	**Action Tracker** The Action Tracker was **noted.**	 Noted
2.	**CEO UPDATE**	
2.1	**CEO Report** The CEO presented her report and highlighted: - Reflections from previous two years and the focus on leadership and culture to take the organisation forward and drive performance. - Acknowledgement of significant change within the business including directorate/staffing changes with the appointment of Andrea Paterson and Frank Boyle to Property Services. - The heating system at Dewar Court which would be discussed as an Agenda item. - Reactive repairs costs had increased significantly over the past year, reasons for this were being analysed. - The tenant satisfaction survey had been completed and would be discussed at the Strategy Day in October. - Engaging with partners including the highland poverty commission, other CEO's discussing DLO's, development and scope for partnership working, also met with the SFHA CEO re sector challenges and public policy.	

	- Ongoing work to implement the new Governance framework. - Meetings with the Scottish Government and Inverness MSP for Morlich Court, discussing funding and a 2-phased approach of demolition and site investigations ahead of development. A more detailed report would be presented at the next meeting. The Chair commended the CEO on void improvements. In response to a member's questions on culture and performance improvements, the CEO advised staff were connected to the organisation's vision and purpose and highlighted recent positive examples of collaboration whilst acknowledging disruption due to staff turnover. The report was **noted**.	Noted
3.	**ITEMS FOR DECISION/APPROVAL**	
3.1 3.1.1 3.1.2	**Audited Accounts to 31 March 2026, LOR and Audit Management Reports** The DFITR presented the audited accounts and letter of representation explaining Cairn had incorporated Ancho and had obtained an exemption from preparing consolidated accounts with PCE. The PCE Board had approved their accounts which were now presented for noting. The Chair also advised that the Audit & Performance Committee had approved the Cairn HA accounts at their meeting on 4 August 2026. The DFITR confirmed the auditors were satisfied with the accounts and internal financial controls, identified only low-risk recommendations, and reported a smooth first-year audit under the new audit engagement with Azets. In response to a member's questions:- - on the low surplus the DFITR advised reactive repairs had increased substantially, although component replacements are capitalised and therefore do not directly reduce surplus; management costs and value-for-money performance would be reviewed to develop more detailed repairs data covering volume, average cost, repair type and property characteristics to support predictive modelling and future budgeting. - that Cairn moved from the defined-benefit SHAPS pension arrangement to defined contribution pensions, although liabilities remain for benefits accrued by former employees. The liability is reviewed every three years and is now more stable because of the scheme's investment hedging strategy. This remains a monitoring issue but is not currently a leading risk. - The PCE repayment proposal would be considered by the Corporate Committee before the Board. At the proposal of Neil Wood, seconded by Lizzie Crawford, the Board: **- Approved** Cairn's annual accounts to 31 March 2026 and Letter of Representation; - **Noted** the audit findings report and; **- Noted** the PCE annual accounts. The accounts would be signed following the meeting.	Approved Noted Noted

3.2	**Q1 Management Accounts** The DFITR reported a Q1 surplus of approximately £360,000 against a budget of £44,000, supported mainly by additional income and positive variances in several expenditure areas. He cautioned that some savings may be timing differences and will be tested through the Q2 re-forecast. Planned-maintenance expenditure could not yet be meaningfully compared with budget because contract progress data was incomplete, with a fuller position expected at Q2. Cash was available, with a surplus in the quarter, and there would be an upturn in income from future developments. In response to a member's question the DFITR advised that the £2m RBS drawdown loan in the quarter had been used for development as previous loans had been allocated to the planned maintenance contracts due to delays with development sites. The report was **noted.**	Noted
3.3	**Treasury Management Report** The DFITR explained that the £25 million facility was already included in Cairn's long-term financial plan: approximately £20 million would support nearly 200 approved or committed new homes, £5 million would support planned maintenance over the next two years and lenders had submitted competitive terms. The DFITR was seeking delegated authority for the DFITR and CEO to progress negotiations and security arrangements, with the final lending package to return to the Board for approval. Proposals for a variation to the MetLife covenant, required to maintain compliance through to 2028, were presented. The DFITR explained the interest rate change, administration and amendment fees. The DFITR and CEO would need to be authorised to sign the required minute, officer certificate and related documents. Members requested a session be arranged using the 30-year model, showing debt composition, development income, return on investment, planned-maintenance requirements and the impact of future development scenarios including SHIP. The DFITR agreed to prepare charts and scenarios, including the development pipeline and available borrowing headroom, to help the Board balance investment, affordability and financial resilience. The DFITR advised the proposed borrowing would increase variable-rate exposure *redacted*, while Cairn's existing debt is around *redacted* fixed. The loans under consideration are linked transparently to base rate; the current plan is to tolerate the variable exposure temporarily and seek an appropriate date to fix part of it within the following year, with any later fixing decision brought back to the Board. In response to member's questions the DFITR advised there was no direct link to the Pentland HA or Ancho transfers and there was no concern from lenders over the long term viability of the Association.	Action DFITR

	A member asked how Cairn would protect tenant affordability if income increases were required, the DFITR advised the October rent proposal would be accompanied by a critical review of the cost base and confirmed that new developments must stand on their own merits rather than be cross-subsidised by existing tenants; the Executive Team would continue reviewing efficiency and expenditure. At the proposal of Angus Lamont, seconded by Lizzie Crawford, the Board **approved** entering into a new loan facility agreement of £25m to provide the private finance contribution to the approved development programme and essential planned maintenance works. In relation to the draft minute in the Appendix, at the proposal of Andrew Latto, seconded by Nigel Fortnum, the Board **approved** delegated authority for the final terms for Met Life's covenant variation and any other document which may be considered necessary or desirable in connection with the entry by the Association into the Agreement, to Audrey Simpson, Chief Executive and Ken Tudhope, Director of Finance, IT & Risk Board **noted** the current and projected treasury position.	Approved Approved Noted
3.4	**Asset Management Updates**: The DPS updated the Board explaining that the energy-efficiency phase at Dewar Court, including external wall insulation and new windows, was completed positively. The Scottish Government had visited Dewar Court to inspect works delivered from its funding and were complimentary on the standard of work undertaken. The DPS and DCS explained the impact of the radiator upgrade programme which had revealed that the underground distribution pipework had reached the end of its economic life. The revised interim solution limits the decant to 12 ground-floor tenants who received written communication and one-to-one support. The current programme is expected to finish by 11 December at the latest, although Cairn is pressing the contractor to achieve completion by mid-November. The estimated additional cost was approximately £565,000 plus VAT, with expectations that the revised scope may reduce this and the IDPS advised it had not yet caused a direct postponement of another investment project. A lessons-learned review will also be completed. In response to members' question the DPS confirmed that: - similar risks may exist in other Courts where works were due to begin shortly. The team is reviewing specifications, stock knowledge and contract management so that future programmes address connected components rather than replacing only part of a failing system. - the DCS advised decant options had been provided to all affected tenants and ongoing support would be provided.	

	- The investment strategy would be developed with the finance team to determine the outcome of the stock condition survey and investment programme priorities over the next years. - A full planned programme for 2027–28 is being developed and will return to the Board at the next meeting. - the current void moratorium was expected to end in December assisted by installation of isolator valves in flats. The IDPS provided a Riverbank progress report advising it was progressing well, engineering works were carried out on the riverbank to secure and avoid subsidence, due to complete mid-November, no sign of costs overruns. In regard to the Planned Investment project updates the DPS advised there were 30 projects in pipeline this year, half mobilised and a further update would be brought to next meeting. The report was **noted**.	Noted
3.5	**Scheme of Delegated Authorities** The CEO presented the Scheme of Delegated Authorities aligned with the approved governance framework and new committee structure highlighting that it distinguishes governance from management and clarifies matters reserved for the Board versus those delegated to Committees or the Chief Executive. The Scheme of Delegated Authorities was proposed by Angus Lamont, seconded by Andrew Latto and **approved.**	Approved
3.6	**Managing the CEO Policy (New Policy)** The CEO presented the Policy to establish a formal process for objectives, appraisal and oversight aligned with Cairn's strategic priorities, regulatory responsibilities, values, risks and organisational performance was presented. The Managing the CEO Policy was proposed by Karen Fitzsimons, seconded by Nigel Fortnum, and **approved.**	Approved
3.7	**Cairn Vision** The CEO explained that the proposed vision was developed through the business-plan process, tested with office bearers, the Executive Team and Cairn Voice, and selected for its relevance and distinctiveness. The Board unanimously approved "creating places people are proud to call home" as the new vision. It was confirmed that the new vision will be launched at gatherings across Cairn's five office locations during September. Colleagues would also help shape a future review of organisational values, after which communications and publicity materials will be updated. The Cairn Vision was proposed by Angus Lamont, seconded by Mairi Keddie, and **approved.**	Approved

3.8	**Board Succession and Development Plan, inc. nominations/appointment of Office Bearers, Committee and Working Group members** The GSM presented the annual succession plan showing Board tenure, rotational departures and committee assignments. One member would be stepping down at the AGM; five new Board members have completed nomination paperwork, and the proposed Cairn and PCE succession arrangements were presented. Board agreed to disband the unused Growth and Partnership Group, with the option to reconvene as required. The post-AGM arrangements included a short Board elections meeting to confirm the Chair, Vice-Chair and memberships of Committees so the new structure can operate without a leadership gap. At the proposal of Nigel Fortnum, seconded by Andrew Latto the Board Succession and Development Plans for 2026/2027 were **approved.**	Approved
3.9	**Board Remuneration Policy Review** *The Chair, Vice-Chair and Chair of the AMDC left the meeting* The GSM presented the report and sector benchmarking report produced by an independent consultant. Three options were outlined and members discussed governance responsibilities, recruitment, affordability and public perception, with current Cairn payments broadly comparable to similar Scottish RSLs. At the proposal of Karen Fitzsimons, seconded by Neil Wood, the Board **approved** Option 1, retaining remuneration for the Chair and Vice-Chair at current levels. It also **agreed** to review Corporate Committee Chair remuneration in 12 months, once the new governance arrangements have established the role's workload. *The Chair, Vice-Chair and Chair of the AMDC re-joined the meeting.* *Karen Fitzsimons left the meeting.*	Approved Agreed
4	**UPDATES**	
4.1	**Compliance Action Plan Progress Report** The DPS presented the report advising that an independent assessor will complete a September review across seven regulatory compliance areas, with a final report and supporting evidence session scheduled for the October Board meeting. The final report will return in October, preceded by an evidence session with the Assurance Steering Group so Board members can examine the data supporting the assurance statement before submission to the regulator. The DPS advised that in the seven areas asbestos compliance has progressed substantially with remaining record-keeping work in hand. Legionella and water hygiene were being progressed following staffing pressures with additional attention and resourcing being applied. The report was **noted**. *Andrea Paterson left the meeting*	Noted

4.2	**Customer Services Vision Update (Confidential)** *See separate Confidential Minutes* *Karen Fitzsimons re-joined the meeting*.	Noted
4.3	**Q1 KPI Performance** The DPI presented and highlighted stronger operational control in safety compliance, emergency and urgent repairs and income collection, while asset-related compliance measures and customer responsiveness remained lower. The KPI pack was issued organisation-wide for the first time to promote transparency and make performance improvement part of every role. In response to a member's question on where the KPI pack would sit under the new committee structure, the DPI advised the pack is being redesigned so both committees retain a whole-organisation view while examining different areas in depth. The Chair noted that the Board's reporting frequency also remains to be refined. The DPI offered a separate data session with Ryan Morgan, Insights, Performance and Projects Manager, for Board members who would find a more focused session on the KPI pack helpful. The report was **noted.**	Action DPI/IPPM Noted
4.4	**H&S – Q1 Corporate Report and Progress against Strategy** The DPI reported that the appointment of the new Health and Safety Officer had increased organisational capacity, visibility and practical support and guidance on incident reporting, risk assessments and site visits. A core aspect of the additional support is centred on frontline colleagues and shifting to a proactive safety culture. The HR&OD team is beginning to scope the next three-year health-and-safety strategy. The DPI acknowledged a helpful discussion with Steven Travers in shaping strategic thinking. In response to a member's question on why the dashboard showed no contractor incidents or near misses despite Cairn's extensive contractor use, the DPI advised the dashboard report was available in the appendix. However, it was acknowledged that the low report recording was likely linked to the cultural and behavioural mindset change with colleagues sometimes not always recognising events as reportable. Heightening awareness and learning on this topic is a continuous development process for the organisation. The report was **noted**.	Noted
4.5	**Transfer of Engagement Performance Report** The DCS presented the regular update sent to SHR quarterly on promises to former Ancho and Pentland HA customers. The Q2 report would include additional information. The report was **noted**.	Noted
4.6	**Risk review** The DFITR said the principal strategic risks are compliance and uncertainty over unexpected investment requirements covered under the wider stock-condition	

	risk. The register would continue to be refined to balance strategic and granular information and would come to the Board quarterly. The report was **noted.**	Noted
5	**GOVERNANCE, REGULATION & CORPORATE**	
5.1	**Chairperson's Update Report** The Chair provided a verbal update on activities since the last meeting including meetings with CEO, Exec team and ARK Consultancy. The report was **noted.**	Noted
5.2	**Governance & Regulation Update** The GSM confirmed arrangements for the AGM on 17 September 2026, advised on a new committee schedule to ensure correct sequencing for reports to Board/Committee meetings which would be circulated shortly, and consideration of a future Board portal as suggested in the Governance Review. The report was **noted.**	Noted
5.3	**Annual Report on Statutory Registers** The GSM presented the annual report on statutory registers in accordance with the Cairn HA Rules, the report was **noted.**	Noted
6	**DECISIONS TAKEN UNDER DELEGATED AUTHORITY**	
6.1	**Safeguarding and Domestic Abuse Policy** The DCS reported that regulatory changes relating to domestic abuse required amendments to the Safeguarding and Domestic Abuse Policy. He advised that the Chair and Vice-Chair had approved the amended policy outside the normal Board cycle. The Board homologated the decision.	Approved
7	**AOCB**	
7.1	-	
8.	**DATE OF NEXT MEETINGS**	
	Annual General Meeting - 17 September 2026 Board Meeting for Elections - 17 September 2026 Cairn HA Board Meeting - 28 October 2026	

The Meeting ended at 4.55pm