



**04/20 Matters Arising**

The Chair advised that as previously agreed at the December meeting the minutes were not received by members within timescale. It was clarified that the members would meet at 5.45pm prior to the meeting and commence the Management Committee meeting at 6.15pm.

**05/20 Head of Frontline Services Report**

The Head of Frontline Services provided the Management Committee with the following information;

- Annual Assurance Statement Review
- Cordale Staff – TUPE Transfer Consultation
- SHAPS Pension Deficit Contributions
- Health & Safety – Driving at Work Policy
- Policy Review

The members discussed the general recommendations to the sector for annual assurance statement, the Head of Frontline Services advised the Regulator is focusing on the particular areas.

The members noted the decrease in the pension deficit of the SHAPS pension scheme.

Driving at Work for Management Committee members – Members were advised that from a practical perspective it would be problematic to apply the policy to governing body members as, unlike employees, members do not have specific hours of work and it would be difficult to determine when a member was driving exclusively in relation to Group business. Therefore, whilst the Association would encourage members to follow the guidelines of the Driving at Work policy the Association could not compel them to do so.

The Management Committee **NOTED** the contents of the report.

**06/20 Management Accounts to 31 December 2019**

The Management Accountant detailed Cordale's financial activity for the nine months to 31 December 2019 and advised that planned & cyclical works orders had been issued in January 2020 with the view to spending the budget with a moderate overspend. The members expressed concern over the late spend and the works being completed by the end of the financial year. The Development Manager advised cyclical work orders had been finalised in late December 2019.

The members queried why kitchens in certain areas had been fitted early and it was agreed that the Head of Frontline Services would look into this matter and revert back to members.

***A Overend joined the meeting at this point.***

The Management Accountant highlighted the 10% increase to the estate management contract and the savings from outsourcing this. The members

requested clarification of the contract management of the service and when the renewal date for tender was due.

The members discussed the budget allocation and the requirement to reflect inflation within the contract value in the budget.

The Management Accountant advised the salary for the Community Garden Coordinator was to be removed from the profit & loss account and adjusted against deferred income held on the balance sheet.

Cash flow – as the Dalquhurn development had not commenced the cash flow position was advantageous. The members discussed the impact of the delay in the project. The Development Manager advised that the contractor had confirmed that the current build cost would stand until March and thereafter a 2% increase on build costs may be applied.

The Director of Finance & Governance confirmed stress testing and sensitivity checks were in place and would form part of the approval process of the Business Plan in February.

The Management Accountant advised that the Bellsmyre reimbursement was for staff services provided by Cordale.

The Management Committee **DISCUSSED** and **NOTED** the accounts and explanatory report.

**07/20**

#### **Draft budget for the Five year period to 31 March 2025**

The Director of Finance & Governance presented the five year projections and accompanying notes detailing the Association's plans for the five year period to 31 March 2025.

The members discussed the budget, Strategic Housing Investment Plan (SHIP) and building in slippage for the delay in the Dalquhurn development. The Director of Finance & Governance advised that the budget was prepared on the assumption that grant funding would continue at current levels.

The Development Manager referred to the delay to Dalquhurn and the change to the planning application process and confirmed that the Design Team was working on the 2<sup>nd</sup> phase and that a full site investigation had been completed. He confirmed that 25 units were funded by the grant funding and advised that additional grant funding could only be applied for once build costs were obtained. The Association had received 1 year grant funding of the 5 year plan to date. The Director of Finance & Governance advised that stress testing and sensitivity analysis would take place on the budget and that this would be reported to members at February's meeting.

The members discussed the rent increase options and expressed concern over the proposed increase to rent and the impact on working tenants. The Regional Manager advised that a rent harmonisation exercise was taking place to test affordability measures, using Scottish Federation of Housing Associations (SFHA) tools and consultants and that Members would receive an update at February's meeting.

The Director of Finance & Governance discussed affordability, financial stability and the requirements to invest to maintain and improve the quality of our housing stock. The Regional Manager highlighted the additional fire safety costs incurred post Grenfell and the Association's need to be compliant and resilient.

The members discussed the benefits of benchmarking rents against other associations and taking into account the Energy Performance Certificate (EPC) ratings of properties to assist with fuel poverty.

The Head of Frontline Services advised that the Association was working with Citrus Energy whom are a social enterprise working to broker the best energy deals for customers.

The members suggested reducing the rent increase by 0.1%. The Director of Finance & Governance explained the compounding effect year on year to the budget and advised that there would be a likely need for corresponding reductions in future investment

The members debated the relative merits of proceeding with the proposed rent increase of CPI + 1%. The members discussed the detrimental impact by not investing in properties.

The Management Committee **NOTED** the contents of the report.

Discussion on the rent increase was continued to 08/20.

**08/20**

### **Group Rent and Service Charge Setting Policy and Rent Increase Consultation Proposal 2020/21**

The Regional Manager advised members that the Group Rent and Service Charge Policy had been reviewed and that the Annual Rent and Service Charge increase had been considered. The members were asked to consider;

- Group Rent and Service Charge Policy
- Rent and Service Charge Annual Review Proposals for 2020/21

The Head of Frontline Services discussed the rent harmonisation that will conclude this year. The Regional Manager advised housing associations last year have presented differing rent options to tenants. The members discussed the option of forming a working group. The Regional Manager advised the consultation was for all tenants to have the opportunity to participate.

The members discussed at length the options presented including the wording of the options and suggested these should be appealing and relevant to the tenants. The members debated different approaches to describing how any additional rental income received would be applied for the benefit of tenants. The Regional Manager advised that as part of the requirements the Association would need to evidence what the proposed increase would pay for and therefore tangible outcomes were necessary. The members queried the response levels to previous rent proposals and the Regional Manager confirmed that these had been moderate.

The members discussed the benefit of using visual aids in the communications sent to tenants and suggested that quantifying the increase in monetary terms rather than as a percentage would be helpful.

The members raised the possibility of including a rent freeze or rent reduction option. The Director of Finance & Governance explained the impact these options would have on the Association in terms of a reduction in financial stability and a reduced ability to invest in housing stock and advised that for these reasons the Executive Management Team did not consider it appropriate to include such an option.

The Management Committee **APPROVED** the reviewed Group Rent and Service Charge Policy noting that the review did not recommend or make any significant changes to the current policy provisions other than including the relevant Governance Standards within the policy. The Management Committee also **APPROVED** the proposed 3 rent increase options subject to the revision of the wording to be used in consultation with tenants with the preferred option to take effect from 1st April 2020.

**09/20 Business Plan 2020/25 – Strategy Proposals**

The Director of Finance & Governance provide members with an overview of the key discussion points and outcomes from the recent strategy review sessions held by the Executive Management Team and each of the Group’s governing bodies.

The Head of Frontline Services advised that the Communications & Marketing Officer had compiled a Cordale Community Engagement Strategy that would be made available to members at the February Committee meeting.

The Management Committee **CONSIDERED** and **DISCUSSED** the contents of the report.

**10/20 Business Plan 2019/24 – Implementation Plan Quarter 3 Update**

The Director of Finance & Governance provided members with an overview of progress in relation to the strategic priority actions identified within the Group Business Plan 2019-24.

The Group Governance Review Group had now been established with a Cordale member taking part. A meeting was due to take place late January/early February. The Terms of Reference would also be confirmed at that first meeting.

The Management Committee **DISCUSSED** and **NOTED** the contents of this report.

**11/20 Development and Planned Maintenance Update**

The Development Manager updated the members on the following developments;

- Dalquhurn Works Phase 4
- Dalquhurn Works Phases 5 and 6
- 1-3 King Street, Renton (Caledonia HA development)
- 2019/20 Planned Maintenance programme
- Actions from December 2019 meeting

The members discussed the ground works at Dalquhurn and the works required to develop the site. Planning consent has changed since the original development on site and additional ground works have been requested.

The members discussed the kitchen works and what properties were included.

The Management Committee **NOTED** the contents of this report.

**12/20 Draft Minute of Audit Committee Meeting & Corporate Risk Map: Wednesday 4 December 2019**

The Management Committee **NOTED** the contents of the minute.

**AOCB**

Members requested that a bus to be provided for the Cultural session in Stirling.

The Chair advised the Management Committee of the success of the events for the Wee Sleep Out and Selection box drop off to the local schools and Nursery during the festive period.

**Date of Next Meeting**

Tuesday 18 February 2020 @ 5.45pm for pre meeting with Management Committee members, meeting commencing at 6.15pm.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_