

**CORDALE HOUSING ASSOCIATION LTD**

**MINUTES OF THE MANAGEMENT COMMITTEE MEETING  
HELD ON TUESDAY 22 OCTOBER 2019 AT 6.00PM  
AT CORDALE HA, 167 MAIN STREET, RENTON**

<b>Present</b>	Margaret McCallion (Chair) Martin Walker (Vice Chair) Aileen Overend Gary Wilson Leanne Keegan Veronica Hamilton
<b>Apologies</b>	Lilian Peters
<b>In Attendance</b>	Tim Calderbank            Director of Customer Services Leigh Grubb                Director of Finance & Governance Garry Savage               Director of Strategy & Innovation Jenna Noble                 Head of Frontline Services Grant Kaye                  Asset Manager Kevin Nixon                 Regional Manager Carol-Ann Burns            Executive Officer, Minutes
<b>Absent</b>	Graham Logan

**95/19            Apologies**

Apologies were submitted by Lilian Peters.

**96/19            Declaration of Interest**

None.

**97/19            Minutes of Cordale of Management Committee Meeting 12 September 2019**

The minutes were proposed as a correct record by Gary Wilson and seconded by Veronica Hamilton.

**98/19            Matters Arising**

The Vice Chair discussed item 90/19 – CHAT Group. Concerns were raised as to the level of the discussion around the Charter Self-Assessment. The Vice Chair advised he had received feedback from members of the CHAT Group that indicated

the level of discussion was not appropriate, members were lost in the content and one member advised they are not returning to the group. The Director of Customer Services advised that members of the group were updated on the methodology used to assess delivery of the Charter Outcomes and opportunity was provided to discuss and raise local issues. The Director of Strategy & Innovation acknowledged that the consultation on the Charter assessment process was completed at pace across the Group and was undertaken following discussion with the members of the Governance Working Group (GWG) on consulting with tenants. It was noted that in future years more detailed discussions would take place with tenants on the Charter report

The Director of Strategy & Innovation further advised that the Caledonia Tenant Scrutiny Panel were also consulted for their views and feedback. The Management Committee asked if the CHAT members had provided feedback, the Director of Customer Services confirmed this was the case.

Discussions took place regarding the lessons learned and the need for a better working relationship with the CHAT group, including the frequency of the meetings. The Head of Front Line Services confirmed that an Open Day was due to take place on Thursday 24<sup>th</sup> October and added this presented an opportunity to reconnect with tenants and discussion expectations on consultation and engagement.

#### **Scottish Housing Federation Association (SHFA)**

The Director of Customer Services advised the Management Committee of an email received from SFHA. Whilst not offering to revise the subscription fee it suggested that additional benefits could complement Cordale's continued membership. The Management Committee discussed the email and **AGREED** their position remained the same.

**99/19**

#### **Director of Customer Services Report**

The Director of Customer Services provided the Management Committee with the following update;

#### **Scottish Government – Housing to 2040**

The Scottish Government had recently published a document in advance of proposed consultation on the future vision for housing and communities across Scotland. The document set out that the government aims to ensure that everyone has a home that is warm, affordable and accessible and fits their needs.

Over the autumn, the government intends to undertake public consultation on the vision and principles that will be used to finalise the vision and a route map to be published in 2020.

## **Scottish Government – Rent Affordability in the Affordable Housing Sector**

The Scottish Government had recently published a review document on rent affordability in the affordable housing sector which it acknowledged was the first stage in a much larger project. In the report, the Scottish Government identified that rent affordability was an increasing issue and was crucial to tackling poverty. In conclusion, the review document highlighted that the impact of housing costs on social rented tenants needs to be considered further to explore what is driving social rent increases and examine ways to reduce them. It acknowledged that further research was needed into how the sector as a whole sets and raises rents and how tenants are consulted. Some thematic work had been carried out on this by SHR, but this had used only a small sample of RSL's.

The Management Committee welcomed the review.

### **Management Committee Membership Cancellation**

The Director of Customer Services advised in accordance with the rules of Cordale Housing Association Section 44 – A Committee Member will cease to be a Committee Member if:

44.3 – he/she misses four Management Committee meetings in a row without special leave of absence previously being granted by the Committee either at his/her request or by exercise of the Committee's discretion.

A Management Committee member has missed four consecutive meetings in a row and was advised on 23<sup>rd</sup> September, 2019 that her membership of the Management Committee had ceased from this date.

It was confirmed that Management Committee Membership updates where required will form part of the Finance and Governance report going forward.

### **Management Committee Membership – Knowledge Partnership Survey**

In August Cordale commissioned Knowledge Partnership to undertake a survey of residents to research their knowledge of the association which would inform actions to be undertaken to encourage interest in joining the Management Committee.

The survey fieldwork was complete and the final report and findings was due to be available week commencing 21<sup>st</sup> October, 2019. It was proposed that this should be circulated to Committee Members and a report provided in due course. Initial feedback indicated that initial feedback from the survey indicated that 23% of respondents indicated that they would be interested in participating in a committee that was focussed on purely operational matters.

### **Governance Review and Annual Strategy Review Away Day**

The Committee were advised that the current business plan contains a business objective to undertake a comprehensive review of governance arrangements across the Group. The aim of this work was to ensure, that as far as practicable, duplication was removed and governance arrangements were streamlined and shaped to reflect the current business needs and regulatory requirements of the Group.

It was confirmed that there had been no comprehensive review of governance across the Group since the formation of Caledonia, as the Group has grown new elements had simply been added on the structure. Background was provided in relation to the main elements of governance across the group, including the Governance Working Group whose remit had been to review and produce the Annual Assurance Statement.

It was confirmed that the finalisation of the Assurance Statement would conclude the work of the Governance Working Group. However, it was suggested to the Management Committee that a new Terms of Reference (ToR) could be considered and the terms of the Governance Review Group be amended to oversee the review of governance arrangements across the Group. The draft ToR was appended to the report for Management Committee's consideration. It was confirmed that membership would be drawn from each respective Management Committee to ensure that there was wide representation.

The Management Committee discussed membership of the review group and Gary Wilson **AGREED** to continue with his role in the group.

The Committee were advised of the proposal to postpone the annual Group Strategy Away day and that the Executive would undertake a review of current business strategy and hold briefing sessions with each governing body in late November.

### **Staff Conference**

The Committee were advised that the Group staff conference would take place on 31 October. The conference aim was to focus on the working environment to be created for all staff and how they can contribute to and be responsible for the success of Customer 1st and business improvement. The conference was to include a mix of internal and external speakers, video and audio content, and staff interaction.

The Management Committee asked if the office would be closed that day. The Director of Customer Service confirmed the office would be closed and the necessary provisions would be put in place. The Management Committee requested an up to date organisation chart to reflect the new structure, the Director of Customer Service advised this would be made available to the members. The Management Committee discussed the benefits of having Neighbourhood Officer photographs on the website, the Director of Customer Services advised all tenants will receive a letter advising of their Neighbourhood Officer and the website will be updated to reflect the new structure.

The Management Committee discussed the postponed member's away day and agreed to hold a Cordale day to discuss local business and Customer 1<sup>st</sup>. The Governance Officer will organise a date in November with the members.

### **Cordale Tenant Information and Engagement Event (Open Day)**

It was confirmed to the Committee that a tenant information and engagement event (open day) had been arranged to take place on Thursday 24<sup>th</sup> October. This event

was a Quarter 3 activity within the local priority actions identified within the 2019-24 Business Plan.

The event would be hosted in the Association's Boardroom, attended by staff, volunteers and partner agencies.

### **Customer 1<sup>st</sup> Service Delivery Model Update**

It was confirmed that significant progress had been made with the implementation of the Customer 1<sup>st</sup> service delivery model with the completion of the transition of existing staff into new roles and the completion of the recruitment processes for vacant posts. A detailed transition plan had been developed and was being implemented to ensure that there was an orderly and planned transition of tasks to new departments or posts. Within the Customer Services Directorate the new structure of Neighbourhood Officers which are aligned to Regional and Area Teams had been established. The Customer Solutions and Business Support Teams had also been established.

It was confirmed that the Customer 1<sup>st</sup> Working Group meeting due to be held in September was cancelled and has been rescheduled to 29<sup>th</sup> October, 2019. An update from this will be provided to the Management Committee in due course.

### **Policy Reviews**

It was confirmed that the following Group policies had been reviewed with only very minor adjustments, primarily reference to relevant legislation and changes to job titles and responsible officers to reflect the organisational changes within the Group:

- Group Anti-Money Laundering Policy
- Group Business Continuity Management Policy
- Group Entitlements, Payments and Benefits Policy
- Group Customer Service Standards Policy

Updated versions of each of the amended policies were uploaded to the Documents Section of Decision Time (previously MinutePad).

The Management Committee **NOTED** the revised policy amendments and **DISCUSSED** and **NOTED** the remainder of the report.

**100/19**

### **Group Annual Assurance Statement**

The Director of Strategy & Innovation presented the report to seek Management Committee approval for the Group Annual Assurance Statement that had been drafted following the self-assessment review of the Group's existing governance arrangements against the requirements of the Scottish Housing Regulator's (SHR) new Regulatory Framework carried out by the Governance Working Group (GWG).

It was confirmed that updates on the outcomes of the GWG's consideration of these issues had been reported to each of the Group's three governing bodies. At the final meeting of the GWG on 10 September the concluding outcomes of the self-

assessment process were considered in detail. This included discussion on any potential areas of material non-compliance with the SHR's Regulatory Framework and the proposed content and format of the Group Annual Assurance Statement.

The Management Committee discussed the outcomes of the GWG, the consideration of the overall level of compliance and the identified improvement actions. The Director of Strategy & Innovation advised that the Assurance Statement had taken account of the specific regulatory guidance produced by the Scottish Housing Regulator and their advice to provide a short and concise statement. The Management Committee asked if there were legal costs associated with the preparation of the statement, the Director of Strategy & Innovation confirmed legal costs were incurred.

The Management Committee **DISCUSSED** the content of the report, **APPROVED** the Group Annual Assurance Statement and **NOTED** that the Group Annual Assurance Statement would be subject to consideration and final approval by the Caledonia Management Board (as Group Parent) at the meeting to be held on Tuesday 29 October 2019; and then submitted to the SHR on 30 October 2019.

101/19

### **Development and Planned Maintenance**

The Asset Manager updated the Management Committee on various issues relating to Development and Asset Management as it pertains to Cordale Housing Association. The Management Committee received updates on the following:

#### **New Housing Developments**

Dalquhurn Works (Phase 4), Renton – 25 Social Rented Units – A revised report was submitted to West Dunbartonshire Council (WDC) week commencing 14<sup>th</sup> October. The result of the tests do not show anything different to that previously reported to WDC, therefore was hoped that building warrant approval should be received by the end of this month.

This would allow discussions to take place with Engie Ltd with regard to the works contract and with the intention to be able to make a start on site prior to Christmas, with completion in early 2021.

Dalquhurn Works (Phases 5 & 6), Renton – 125 mixed tenure units - Discussions continue with SEPA with regard to revised flood risk assessments being carried out for the remainder of the site, as new regulations mean that previous flood risk assessments are no longer valid. These are almost complete and hope to be able to report further to the Management Committee before the end of this year.

Main Street/King Street, Renton – 3 social rented units - Caledonia has reached agreement with the owner of the commercial units on the ground floor to carry out the necessary works to the shared floor/ceiling. This will enable completion of the fire separation between the commercial and the Association residential premises. This work is due to complete in early 2020. Quotes for the final works necessary within the flats themselves to enable completion certificates. It is anticipated all works will be completed in April 2020.

High Dykes, Bonhill – 49 Social Rented Units - AS Homes have advised that planning approval should be forthcoming in early November. This will enable works to commence in January 2020, with an anticipated completion date of July 2021.

Alexandria Town Centre Regeneration – It was confirmed that the developer who was dealing with this proposed regeneration had withdrawn from discussions with West Dunbartonshire Council as the project was not financially viable for them. This project had therefore been removed from our programme.

### **2019/20 Planned Maintenance Programme**

The Asset Manager discussed the Association's planned maintenance programme for 2019/20. It was confirmed that the Association was ahead of budget in terms of committed spend for the year as tendered work and awarded contract was about one month ahead of programme. Actual spend was still slightly behind programme and he was confident that all works as planned in the programme will be completed in this financial year.

The Management Committee advised that windows have been left opened in the properties at King Street that are being renovated and skips are full, the Asset Manager took note of the comments.

The Management Committee asked if delays to start dates had had any negative impact on tenders and contract costs. The Director of Strategy & Innovation advised the Asset Director was in contact with contractors and providing updates of starts dates and the contract in place will honour the tender. The Management Committee discussed RPI and CPI and the potential impact of Brexit on future planned maintenance programmes.

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

### **102/19 Management Accounts for the 6 Month Period ended 30 September 2019**

The Management Accountant presented the management accounts that detailed the Association's financial activity for the period ended 30 September 2019. The financial statements had been prepared by detailing actual income and expenditure incurred by the Association for the period.

The Management Accountant discussed;

- Statement of Comprehensive Income for the period ended 30 September 2019
- Statement of Financial Position
- Actual v Budget
- Statement of Cashflows

It was confirmed that all lenders financial covenants had been met. The Management Accountant discussed the analysis and major variances. The Management Committee asked if interest rates are effected with the delay to development contracts and not drawing down money, the Management Accountant advised this is for existing loans.

The Management Committee discussed the forecasted spend for reactive maintenance and noted that winter months expenditure was historically higher spend and that account for this was not shown with the budget. The Management Accountant advised that there had been some miscoding of expenditure and this was to be removed from the budget and there was a legacy from the previous contractor.

The Management Committee discussed the estate management costs and requested explanation as to a 10% increase year on year. The Management Accountant advised she would check the contract details and report back to the members. The Management Committee discussed the frequency of the updates, the Management Accountant advised updates are prepared on a monthly basis. The Management Committee noted that the re-let expenditure figure was below budget for the second year, the Management Accountant advised budgets will be looked at and any changes will be agreed. The Management Committee discussed planned maintenance expenditure was behind scheduled expenditure, the Asset Manager advised although the schedule is behind he was confident the overall schedule will be delivered within timescale.

The Management Committee discussed the importance of tenants being kept up to date with schedules and informed of any delays. The Asset Manager advised correspondence to tenants advised of an anticipated date of works then followed by a confirmed date of works. The newsletter also provided updates on schedule of works.

The Management Committee discussed the stage 3 adaptation budget and the overspend year on year and outstanding works. The Director of Finance & Governance discussed the need to assess the demand and take on a case by case basis along with other budget factors.

The Management Committee asked if there was security costs for the Dalquhurn site, the Management Accountant advised not at this stage.

The Management Committee discussed Customer 1<sup>st</sup> and the management fee to replace current salaries. The Director of Finance & Governance advised the revised budget has taken effect from 1<sup>st</sup> October and figures will be available for the next quarter.

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

#### **103/19      Withdrawal of Membership**

The Director of Customer Services advised the Association reviews the membership of the Association on an annual basis in accordance with the Association's Rules.

The Secretary wrote to the highlighted members on 2 October 2019 advising them that the Management Committee would be considering the cancellation of their members under Rule 11.1.3 at their next meeting. No responses had been received to date.

The Management Committee **CONSIDERED** the report and **APPROVED** the recommendation that the members listed in Section 11 have their membership of the Association withdrawn and their shares cancelled.

#### **104/19      Customer 1<sup>st</sup> programme – One Employer**

The Director of Finance & Governance provided the Management Committee with information on progress being made to move to one employer as part of the Customer

1st programme and seek approval to proceed to conclude the transfer of staff and pension liabilities to Caledonia.

The Management Committee discussed existing staff on the pension scheme, The Director of Finance & Governance discussed the benefits of the transfer of staff and added this has been reported in previous reports to the Management Committee and also documented in the body of this report for further consideration via the TUPE arrangements.

The Management Committee discussed the charitable objects and the need to ensure that the pensions transfer was consistent with those objects. The Director of Finance & Governance advised discussions with legal advisors have taken place to undertake the transfer of staff, Caledonia could assume the pension liability without receiving any consideration from Cordale provided that this is consistent with Caledonia's charitable status. The advice received confirmed that the acceptance of the liability by Caledonia is consistent with charitable status and consideration is not strictly necessary from a charity law perspective.

The Management Committee discussed existing staff terms & conditions (T&Cs) on the Employers in Voluntary Housing scheme (EVH). The Director of Finance & Governance advised the Transfer of Undertakings Protection of Employment (TUPE) has not commenced as of yet.

The Management Committee discussed that the figures of the pension liability would be less with the current Service Level Agreement (SLA), the Director of Finance & Governance advised the total cost would be shared amongst the 3 associations and proportioned in line with the amount of units each has.

The Management Committee expressed their hesitance to approve the proposal based on the legal position regarding the granting of a guarantee to Caledonia having not yet been confirmed. The Director of Finance & Governance advised that legal discussions were ongoing and that Management Committee approval to the proposal would be helpful in concluding those discussions.

The Management Committee APPROVED the proposal to the transfer of the pension liability which enables the staff transfer from Cordale to progress on the basis that:

- Transfer of the pension liability is consistent with Cordale's charitable status
- The costs relating to the pension deficit (enhanced pension contributions) will be recharged to Cordale via an amended Service Level Agreement (SLA)
- Cordale provides to The Pension Trust a guarantee to assume its pension liabilities in the event that Caledonia defaults on its obligations.

This approval was conditional on the Director of Finance & Governance providing confirmation to the Committee that the legal position regarding the guarantee has reached a satisfactory outcome.

## **105/19 Management Committee Learning & Development**

The Director of Finance & Governance discussed the proposals for a Learning & Development Plan for Management Committee members.

It was proposed to address members' learning & development requirements over a rolling three year cycle and through a variety of delivery models. Feedback from members on learning and development needs were summarised.

It was proposed that each year learning and development opportunities will be available to all Management Committee members. It was envisaged that an annual training plan would be agreed with the Chair in June each year.

The Management Committee agreed to discuss this further at the away day and the importance of learning & development for the members.

The Management Committee **APPROVED** the principles of the Learning & Development plan outlined in this paper, and the immediate learning and development initiatives outlined within it.

## **106/19 Former Tenant Accounts Arrears/Credit Write off Report.**

The Regional Manager presented the report to request approval from the Management Committee to write off former tenant rent arrears and credits within their delegated authority in line with the *Group Policy on Delegated Authority 2019* and the provisions within the *Group Arrears Management Policy 2016*.

It was confirmed that Delegated Authorities allow for the write off of former tenant arrears and credits provided all reasonable steps to recover the debt and repay the credit have been exhausted or the debt is so small as to be uneconomic to pursue.

The Management Committee discussed the length of time taken for some of the arrears cases to come forward for write off. The Regional Manager advised this is due to the conditions of the case, some have been in an arrangement that had been broken. The Management Committee discussed the impact of General Data Protection Regulations (GDPR), the Director of Finance & Governance advised this is 5 years from when a tenancy ceases although the arrear can still be re-opened after this time.

The Management Committee **APPROVED** the write off of the former tenant credits and arrears.

## **107/19 Update on Freedom of Information (Scotland) Act 2002 (FOISA) – Extension to Registered Social Landlords (RSLs)**

The Director of Finance & Governance discussed the overview of preparations for the forthcoming extension of Freedom of Information legislation to RSLs. This report provided a further update on activities being carried out with a view to ensuring compliance with each of the FOISA statutory duties. The Management Committee

were requested to approve for the adoption of a new Group Freedom of Information and Environmental Information Policy.

The Management Committee discussed FOISA and the impact to the association and preparations made to ensure the association is compliant.

The Management Committee **APPROVED** the appended Group Freedom of Information and Environmental Information Policy and **NOTED** the report.

#### **108/19 Group Asset Management Strategy**

The Asset Manager requested the approval of the Management Committee for the draft Group Asset Management Strategy.

It was noted that strategic asset management was crucial in order to ensure the long-term sustainability of the Group's assets and also to make the best use of Group resources in an efficient manner.

The Asset Manager confirmed that the Group exceeds the current fire safety standards.

The Management committee **APPROVED** the Group Asset Management Strategy.

#### **109/19 Group Stage 3 Adaptations Policy & Procedures**

The Asset Manager sought approval for the Stage 3 Adaptations Policy & Procedures. The Group policy and procedures had been adapted from the current Caledonia HA policy and procedures which comply with current Scottish Government guidance. It was noted that the changes from the previous policy were minimal, mostly reflect the revised staff arrangements resulting from the Customer First restructure.

It was noted that the previous policy stated that, when the Association had reached the limit of Scottish Government funding for these adaptations, the Association would ordinarily stop doing any further adaptations and put these on hold until further funding becomes available from the Government.

The impact of this on tenants was recognised and the Committee endorsed the amendment to the policy to state that the Management Committee will, when setting budgets for the forthcoming year, consider allocating additional funding for adaptations so that the Association can continue to carry out work even when Scottish Government funding runs out.

The Management Committee **APPROVED** the Stage 3 Adaptations Policy.

#### **110/19 Minutes of the Integrated Health & Safety Committee Meeting**

The Director of Customer Services presented the minutes of the meeting for information.

The Management Committee **NOTED** the minutes of the meeting.

## **AOCB**

### **Internal audit tender**

The Director of Finance & Governance advised that at its meeting on 7 August 2019, the Group Audit & Risk Management Committee established a panel to lead a tender exercise for internal audit services, with a view to bringing forward a recommendation to the meeting of the Management Committee. A tender exercise was conducted via the Public Contracts Scotland portal, and in accordance with public procurement requirements, with tender proposals received from four potential suppliers.

Following the conclusion of this process, the panel remained impressed by the professionalism and quality of both of the providers but expressed a clear preference for MHA Henderson Loggie.

The selection panel therefore recommend to the Management Committee that we proceed with the appointment of Henderson Loggie on the terms set out in their proposal.

### **Operation of the group's banking and lending facilities**

In order to ensure the Group's ability to operate its banking and lending facilities effectively, the Management Committee were requested to add Leigh Grubb, Director of Finance and Governance to the list of authorised signatories for all relevant arrangements and to formally remove Ron Hunter as authorised signatories in respect of these arrangements.

This request for approval was consistent with both the Group's scheme of delegated authorities and the Group Financial Regulations. The banks had stated that they require sight of an authorised Management Committee minute to give effect to this change.

The Management Committee **APPROVED** to add Leigh Grubb, Director of Finance and Governance, to the restricted list of authorised signatories for all relevant arrangements, and to formally remove Ron Hunter as an authorised signatory in respect of these arrangements.

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

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