



CUNNINGHAME
HOUSING ASSOCIATION

More than just a landlord

Board of Management Minutes

Date of Meeting: 25th May 2023

Please note that these minutes have been edited to remove any information relating to personal/confidential/commercially sensitive or of a personal nature.

CUNNINGHAME HOUSING ASSOCIATION LTD

Minutes of Special Board of Management Meeting

Held on Thursday 25th May 2023 at 2:15 pm in the Association's Quayside Offices,
Marina Quay, Dock Road, Ardrossan KA22 8DA



Present	In Attendance
Lesley Keenan (Chair) Drew Hall John Nisbet Elizabeth Shedden Brian McCabe Brenda Johnstone Margaret Davison Cllr Eleanor Collier (NAC)	Linda Anderson, Acting CEO Jacqueline Cameron, Executive Director of Housing & Property Services Fettes McDonald, Financial Consultant Elaine Nimmo, Minute Secretary

PRIORITY RED – SECTION 1 – STANDING ORDER ITEM AND GOVERNANCE ITEMS		ACTION
1.	<p>Apologies Apologies were received from Frank Sweeney, Janet Strang, Liam Loudon, John Kelly, John McLaren, Willie Gibson, June Fenelon and Cllr Stephen Canning.</p>	
2.	<p>Chairperson's Remarks</p> <ol style="list-style-type: none"> 1 The Chair welcomed everyone to the meeting. 2 The Chair asked all Members to ensure that their mobile phones are switched off. 3 As there were confidential items on the Agenda the Chair read out the following confidentiality statement: In compliance with the Regulatory Code of Governance and Board Members' Code of Conduct all items detailed in this notice as being confidential should not be discussed with any external party either prior to or after said meeting by any Member of the Board of Management. All members should note that when the Group CEO/Executive Directors/Officers are giving or presenting their report that there will be no interruptions to allow them to finish their reports. Questions can be asked after the presentation. 4 The Chair reminded members of the scheduled Board training on Equalities & Human Rights which is taking place on Thursday 1st June 2023 at 2.15 pm in the board room. 5 The Chair reminded members of the scheduled Board training on Valuing Diversity which is taking place on Wednesday 7th June 2023 at 2.15 pm in the board room. 6 The Chair advised members that an official ceremony is being arranged at Bridgehousehill, Kilmarnock for the first handover of homes. Provost Todd will attend the ceremony on Monday 31st July at 12.30 pm. Transport to the site will be available for board members from the office and official invites and calendar invites will be issued shortly. 7 Lockerbie Old School nominations agreement – it was noted that the Board approved the signing of the nomination agreement by the Acting CEO at their meeting of 23/03/23. The agreement was thereafter signed by the Executive 	CEO

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2.	<p>Director of Housing & Property Services rather than the Acting CEO therefore the change in signatory requires to be formally recorded. The Board noted that the Executive Director of Housing & Property Services is an authorised signatory.</p> <p>8 The Chair gave an update on the CEO's absence.</p> <p>9 The Chair advised that item 10 Corporate Strategy & Business Plan Executive Summary will be taken immediately after item 6 to allow Fettes McDonald to leave the meeting.</p>	
3.	<p>Declaration of Interest None.</p>	
4.	<p>Requirement of the Writing (Scotland) Act 1995 None.</p>	

PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN		ACTION
5.	<p>CHA 30 Year Financial Projections (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Financial Consultant referred members to the previously circulated presentation, report and attachments detailing the updated figures for the 30 Year Financial Projections and advised that the supporting narrative shall feature within the Corporate Strategy & Business Plan along with the long-term projections.</p> <p>The Board of Management noted that the financial year 2022/23 has seen a number of challenges for the Association. High inflation has impacted particularly on repair and new build costs.</p> <p>In considering the main assumptions to be employed within the business planning model, recognition requires to be taken of the current financial and political climate which the Association is expecting to operate within, such as global economic and political climate - including Brexit, Covid and Ukraine, high inflation, rising repair costs, high new build costs and uncertainty re grant levels, impact of below CPI rent rise in 2023/24, UK and Scottish Government priorities, EESSH 2, Higher interest rates and the expectation of service level improvements.</p> <p>The Board of Management noted that the ability of the Association to apply restricted increases will depend upon changes in the economy and performance compared with the approved business plan.</p> <p>The Financial Consultant advised the main considerations within the plan should be noted:</p> <ul style="list-style-type: none"> • Update post year end 	

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<p>5.</p> <ul style="list-style-type: none"> • Rent rises • Increased maintenance costs impact and timing of costs • Staffing and increased staffing costs impact • New Build plans uncertainty and control of projects • New build sums paid in advance and recovery of • Control of lets and arrears • Control of running costs-staff, overheads, other costs • OFA plan required • Treasury strategy and inflation • Impact of combination of adverse circumstances • ESSH 2 <p>Sensitivity Analysis</p> <p>The Board of Management noted the sensitivities are largely modelled on varying rent increases, rent losses, management and maintenance costs, inflation and reductions to net income. Restricted real rent increases, increasing major repair costs and higher staff, overheads and other direct costs as modelled, would have the most serious adverse effects. The achievement of the maintenance plans at inflation only cost increases or a small increase in inflation would result in material improvements to the projections.</p> <p>The sensitivity analysis undertaken by the Association shows that each of the adverse scenarios could, assuming they arise as single events, be capable of being managed by the Association. The Board of Management recognised that a combination of changes in assumptions is a clear possibility and confirmed the importance of regular budgeting and monitoring of financial results is to ensure that the financial position remains on target.</p> <p>The Board of Management noted there are no issues arising in respect of loan covenant compliance and the Association continues to operate satisfactorily.</p> <p>After discussion the Board of Management unanimously agreed the 30 Year Financial Projections as presented.</p>	
<p>6.</p> <p>Scottish Housing Regulator (SHR) 5 Year Projections 2022-2023 (CONFIDENTIAL) (Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</p> <p>The Financial Consultant referred members to the previously circulated report which is based on the first 5 years of the 30-year financial projections. The Association is required to submit to the Scottish Housing Regulator by the end of May 2023.</p> <p>The Board of Management unanimously approved the 5-year financial projections for submission to the Scottish Housing Regulator by 31st May 2023.</p>	<p>FMD</p>

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<p>10. Corporate Strategy & Business Plan Executive Summary The Acting CEO referred members to the previously circulated document and advised subject to approval this will be submitted to the Association's lenders 60 days after the 31st March 2023. It was noted that the Corporate Strategy & Business Plan full document will be presented to the Board for consideration on 22nd June 2023 prior to being submitted to the Scottish Housing Regulator in line with the Association's Engagement Plan.</p> <p>The Board of Management noted Corporate Strategy & Business Plan has been updated to reflect the Association's decision to pause the development programme. Following the recent risk review session with Paul Hillard the strategic risks have also been updated and reduced from 46 to 15 strategic risks. A further review of the strategic risks will be considered by the Board at the 6th July 2023 meeting.</p> <p>It was noted that the previously approved 30-year financial projections will be attached to the document as appendix 1.</p> <p>The Board of Management unanimously approved the Corporate Strategy & Business Plan Executive Summary for submission to the Association's lenders by 30th May 2023.</p>	<p style="text-align: right;">FMD</p>
<p>7. Annual Return on the Charter 2022/23 The Executive Director of Housing & Property Services presented the Annual Return on the Charter for 2022/23 which subject to approval will be submitted to the Housing Regulator by 31st May 2023.</p> <p>Overall Satisfaction The Board of Management noted the current results are taken from the 2021 Tenant Satisfaction Survey however the Association is in the process of arranging this year's Tenant Satisfaction Survey which is carried out biannually.</p> <p>The Board noted the Scottish average figures in the presentation are from 2021/22, new figures will not be received until later in the year when released by the Scottish Housing Regulator.</p> <p>Housing Quality and Maintenance The results for 2021/22 dipped slightly on this indicator due to the measures for the standard changing to include smoke detectors and EICR's, however this year's figures have increased to 85.61%.</p> <p>Repairs, Maintenance and Improvements The average length of time taken to complete emergency repairs has dropped significantly from 3.94 hours to 1.92 hours which is due to the introduction of the inhouse repairs service Direct Works. Non-emergency repair times are not as positive which is mainly due to the Association accommodating repairs by appointment for tenants as well as a 15% increase in jobs which was more than projected in the business plan. It was noted that staff are considering introducing</p>	

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7.	<p>a revised target to capture work not completed due to tenant requests for appointments.</p> <p>Tenancy Sustainment The Executive Director of Housing & Property Services advised that the tenancy sustainment policy is currently under review and will be presented to the board in due course.</p> <p>Correction It was noted that a correction to page 3 of the ARC document will be required prior to submission – staffing figure to be amended.</p> <p>The Board commended the good set of results, noted the content of the report and unanimously approved the Annual Return on the Charter be submitted to the Scottish Housing Regulator by 31st May 2023.</p>	<p>Ex Dir of HPS</p> <p>Ex Dir of HPS</p> <p>Ex Dir of HPS</p> <p>Ex Dir of HPS / Acting CEO</p>
8.	<p>Apprenticeship Report (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Executive Director of Housing & Property Services referred members to the previously circulated report and advised that as part of the Direct Works Business Plan an apprentice Electrician and Administrator would be recruited in 2023/24.</p> <p>The Board noted that work is underway to identify an appropriate course for the Administration post, with plans to advertise in the coming months however unfortunately, we have been advised by SECTT (Scottish Electrical Charitable Training Trust) who manage the college placements for all electrical apprentices that college training spaces have been filled and there is no availability for new start electrical apprentices in this current financial year.</p> <p>An application form has been received from an existing second year Electrical Apprentice who is due to commence the third year of his 4-year course in August 2023 and is looking for an employer to take him through his apprenticeship. The applicant is the son of Direct Works' Electrical Supervisor.</p> <p>The Board discussed fully before accepting that the applicant fulfils the needs of the organisation at this time as he would be capable of carrying out electrical installation/safety work whilst being supervised and he already has a confirmed place at college. It was noted that there is budget within the Direct Works business plan to accommodate the cost for a third-year electrical apprentice.</p> <p>The Board expressed their concerns with regard to direct line management of the applicant and the Executive Director of Housing & Property Services advised his father would not be his direct line manager.</p>	

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8.	After discussion the Board of Management agreed to employ the third-year electrical apprentice in the current financial year and noted that all declarations will be recorded in the Registering & Declaring Interests Register in accordance with Governance Policy No: CE0028 Entitlements, Payments and Benefits Policy.	HR CEO
9.	<p>Development Programme Update Report (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Acting CEO referred members to the previously circulated report which is a follow up to the previous discussions on 13th April 2023.</p> <p>Development staff team The Board noted the current staffing structure presented and as previously acknowledged at the Special Board meeting on the 13 April agreed the Association will need to retain a team to deliver the projects which are still presently on site, as well as those which are likely to go. The Acting CEO presented the proposed new staff structure for managing the remaining sites and preparing and submitting applications to the Scottish Government for any outstanding project costs and reconciling all projects.</p> <p>Subject to final approval the Association will commence redundancy consultation with the development team through a period of group consultation and will seek staff views and suggestions on the draft structure going forward. After the group consultation has concluded feedback will be collated and any appropriate changes made to the draft structure before this is presented to the Board for final approval.</p> <p>The Acting CEO confirmed she has been liaising with EVH to ensure that due process is being followed and in accordance with the terms and conditions.</p> <p>The Board of Management approved:</p> <ol style="list-style-type: none"> 1) the decision taken at the Special Board meeting on 13 April to pause the development programme. 2) proposed changes to the Development Staffing Structure. 3) commencement of the initial group consultation with the Development staff to advise them of the situation. 4) the proposed new structure is shared with the staff and their views invited on any suggestions they have on how matters might be addressed. 5) the results of the consultation will be discussed at a future Board meeting prior to individual consultation with the staff taking place. 	CEO/HR CEO/HR CEO/HR

The meeting closed at 3:55 pm

	Signature	Date
Approved to Proceed to Chairperson for Sign-Off:		07/06/2023

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Approved for Circulation By:		09/06/2023
Proposed By:		
Seconded by:		