

CALEDONIA HOUSING ASSOCIATION LTD

MINUTES OF THE MANAGEMENT BOARD MEETING HELD ON TUESDAY 26 AUGUST 2025 AT 6 PM IN PERSON AT SUITE 4, SALTIRE HOUSE, WHITEFRIARS CRESCENT, PERTH AND VIRTUALLY ON MICROSOFT TEAMS

Present:	Allan Jones	Chair	(MT)
	Katherine Burke		(MT)
	Anne Culley		(MT)
	Gary Grigor		(MT)
	Murdo Mackay		(MT)
	Douglas McLaren		(MT)
	Keri-Ann Osfield (from Item 53.25)		(MT)
	Amy Waite		(MT)
Apologies:	Derek Robertson	Vice Chair	
	Margaret McLay		
In Attendance:	Laura Gillespie	Scottish Housing Regulator	(MT)
	Emma McClory	Scottish Housing Regulator	(MT)
	Simon Stone	Scottish Housing Regulator	(MT)
	Julie Cosgrove	Chief Executive	(SH)
	Jill Fraser	Executive Director of Operations	(SH)
	Barry Johnstone	Executive Director of People & Governance	(SH)
	Angela Murphy	Interim Finance Director	(SH)
	Stuart Robertson	Governance Manager	(SH)
	Jenny Dalton	Governance Officer (Minute Taker)	(SH)

The Chair welcomed Laura Gillespie, Emma McClorey and Simon Stone from the Scottish Housing Regulator (SHR) to the meeting. Laura Gillespie introduced herself and advised that she and her colleagues were in attendance to observe the Management Board meeting as part of the Engagement Plan with Caledonia. She further advised that a letter providing feedback on the meeting would be issued to the Chair.

49.25 Apologies

Apologies were **NOTED** from Derek Robertson and Margaret McLay. The Chair advised that Keri-Ann Osfield (KAO) was running late and would join the meeting online as soon as possible.

50.25 Declaration of Interest

The Interim Finance Director (IFD) declared an interest in the Executive Director of Finance Recruitment and Interim Arrangements item in the Chief Executive's Report at Agenda Item 53.25. It was **AGREED** that the IFD would leave the meeting while this item was discussed.

Katherine Burke (KB) declared an interest in Agenda Item 61.25 – Planned & Cyclical Maintenance Update. Members **AGREED** that a decision would be made as to whether Katherine should remain in the meeting if the planned maintenance project in her neighbourhood was discussed.

The Executive Director of People & Governance (EDoPG) declared an interest in the Institute of Directors HR Director of the Year item within the Chief Executive's Report at Agenda Item 53.25.

ITEMS for DISCUSSION and/or APPROVAL

51.25 Draft Minutes of the Management Board Meeting held on 27 May 2025

Board members **AGREED** that the minutes were a true and accurate record of the meeting. **APPROVAL** of the minutes was proposed by Gary Grigor and seconded by Anne Culley. The Governance Officer would arrange for the minutes to be signed by the Chair.

52.25 Matters Arising

Item 36.25 – Annual Return on the Charter (ARC) 2024-25 The EDoPG advised that, as requested by members, additional clarity and context regarding senior staff turnover and the stock condition survey work had been added to the ARC prior to submission.

Following completion of the review of the year-end financial accounts, a revision was also made to the adaptations funding, with the figure being amended from £53,875 to £55,514.

Following submission of the ARC, the SHR had asked for clarity in relation to void loss and stock return. The EDoPG advised that the void loss was due to high service charges in retirement and sheltered properties. There had also been a slight amendment to the average rents for four and five bedroom properties.

53.25 Chief Executive's Report

The Chief Executive (CE) provided an update on her report as follows:

Rosebank Road

This section of the report is confidential as it is commercially sensitive and publication would harm commercial interests.

Cordale Committee Appraisal and Future Governance

Feedback on the outcome of Paul Hillard Consultancy (PHC) review of the future governance options was discussed at a meeting of the Cordale Committee on 8 July 2025. The Appraisal outcomes were:

- There was a good framework in place to support members annual appraisals that met regulatory requirements.
- There were significant skills gaps with areas of experience and knowledge that required to be developed across the Committee. This had been exacerbated by recent departures and leaves of absence.
- Discussions at Cordale Committee meetings tended to focus on very detailed operational activity.

Paul Hillard then facilitated a further discussions with Cordale Committee members only, the key outcomes of which were:

- A strong desire and commitment to retain the current structure with a Cordale Management Committee.
- Recruit new members with professional skills and experience to fill the identified gaps.
- Comprehensive training and development programme for new and existing Management Committee members.

KAO joined the meeting at 6.15 p.m.

As the only member of the Cordale Committee present, the Chair asked Anne Culley (AC) to provide an update from the perspective of the 3 Caledonia Board member appointees.

AC advised that, although Cordale Management Committee's commitment to tenants, the area and service delivery was commendable, it was clear that the Committee needed support at this time to enable the Committee to ensure it was well-governed going forward. The importance of developing these skills had been made clear to the Cordale members as had focussing on strategic rather than operational matters, the importance of attending training, being represented on the Group's sub-committee and attending joint events with the Caledonia Management Board. The Committee Members were also aware of the timeline to deliver improvements by the end of the financial year, i.e. the end of March 2026.

On behalf of the Management Board, the Chair thanked Anne Culley, Margaret McLay and Derek Robertson for their time and commitment to the Cordale Management Committee and endorsed the actions that were being taken.

The EDoPG confirmed that the subsidiary governance issue was a notifiable event and that the SHR had been advised accordingly. A report on the consultant's findings and discussions at the Cordale and Caledonia governing body meetings would now be sent to the SHR.

The EDoPG advised that an Improvement Action Plan covering recruitment, training and attendance at Management Committee and sub-committee meetings would now be produced and presented to both governing bodies. Advertising for new members would be based on the skills sets required to support the Cordale Committee.

In conclusion, the EDoPG explained that a training programme would be produced and the Management Team had already had discussions on what this might look like and how it would be delivered. Progress on the Improvement Action Plan would be reported on a regular basis in order that both governing bodies were aware of the progress being made up to the financial year end.

Annual Assurance Statement 2025

The first meeting of the Working Group had been very successful, with lots of good questions and feedback. Good progress had been made to review the four thematic themes and the broader review of all regulatory standards. The second meeting of the working group would be held on 24 September 2025 with the report being presented to the October governing body meetings.

In 2024, 8 key areas had been identified as requiring minor improvement. For 2025, this had reduced to 4 key areas requiring minor improvement.

As Chair of the Working Group, Murdo Mackay (MM) thanked the CE and the Governance Team for the work involved in preparing the material for consideration and added that it provided the relevant assurance that the Group was fulfilling its governance obligations. Amy Waite (AW) advised that, as a new Board member, she had found the process informative.

The IFD left the room while the next item was discussed.

Executive Director of Finance – Recruitment and Interim Arrangements

To date, there had been a good level of interest in the post with around 40 applications from people within and outwith the sector. The closing date for applications was Friday 29 August 2025 and the aim was to have a short list by the end of the following week.

The Chair and KAO had agreed to sit on the recruitment panel and it was intended to hold the first and second interviews in September. On conclusion of this Board meeting, the Chair, the CE and KAO would stay behind to agree the dates of these meetings.

Following a query from a Katherine Burke, the CE explained that applicants from outwith the sector were being considered as the requirement was for people with specific leadership skills who could lead strategically across the business. The CE added that there was already a lot of housing knowledge within the organisation. The CE also reminded the Board that the previous two Finance Directors had come from outwith the sector.

The IDF re-joined the meeting.

Business Planning Strategy Sessions

Senior officers had taken on board the feedback from the April strategy session and had produced working statements on vision and business objectives that could be discussed in more detail at the November strategy session.

The draft vision was based on the general feedback from Board members about being bold, ambitious, influential and leading the sector and set out clearly that this is about business and digital transformation.

The draft business objectives were based around consolidation, collaboration and growth with the working draft statements being “Strengthening our Services”, “Building Strategic Partnerships with Purpose” and “Growing our impact and influence”.

The CE stressed that these were only the initial thoughts of the Management Team and would be discussed in detail at the strategy session in November.

The Chair suggested that Board members take some time to consider the draft proposals prior to the strategy session. The Chair also asked the CE to arrange a working group meeting to discuss the format, structure and location of the strategy event. He also requested that members outwith the working group contact him if they had any comments on the structure of the session or preferences on location.

Operational Updates

Health & Safety Policy Review

This policy was reviewed annually and some minor updates had been made, which had been discussed with the Health, Safety & Wellbeing Committee earlier in the year.

The Board Members **APPROVED** the minor updates to the Health & Safety Policy.

Attendance at Awards Event

The EDoPG had been shortlisted for the Institute of Directors HR Director of the Year. The award ceremony would be held on 9 October 2025 and, under the terms of the Group Entitlements, Payments and Benefits Policy, Board approval was required to purchase three tickets for the event at a cost of £85 each.

Board Members congratulated the EDoPG on being shortlisted for the award and **APPROVED** the purchase of three tickets for the event.

First Tier Housing Tribunal Hearing Outcome

At a tribunal in July, a complaint from an owner at Northwood Court relating to the clarity and transparency of maintenance costs was upheld. Whilst disappointed, the ruling had been accepted by the Association and the findings would be considered within the review of service and factoring charges that was currently being undertaken.

54.25 Management Board Annual Appraisal Outcomes

The EDoPG reminded members that an annual review of Governing Body member performance was a requirement of the SHR. This year in particular significant commitment and engagement had been required from Board members to participate in the process, partly shaped by the appointment of Paul Hillard Consultancy (PHC) to undertake an independent review of the appraisal framework. This involved PHC reviewing the policy framework, observing Board and Audit & Risk Management Committee (ARMC) meetings, Chair and Chair of ARMC appraisal meetings, and documenting findings in a final report. The independent review produced a strong and positive report concluding that the Board operated in a highly effective way that meets best practice and exceeds regulatory standards. Copies of Paul Hillard's findings reports were included with the EDoPG's report.

The EDoPG then summarised Paul Hillard's findings and advised that the minor improvements suggestions would be considered by the Governance Team.

Self-Assessment Questionnaire and Appraisal Meetings

The EDoPG advised that the key themes that emerged from the questionnaire and appraisals meetings were as follows:

- New Board leadership had significantly improved Board culture and collaboration with the Executive team, with clear agreement that strong foundations were in place to deliver strategic priorities. The impact of the Chair was recognised, with his leadership, communication and relationship building skills seen as vital to the improvements of the past year.
- A strong and diverse range of knowledge and experience existed on the Board, with the skills set of the 2 new Board appointments in February adding further value. Procurement, construction and AI were highlighted as areas for consideration in future recruitment.
- Quality of debate and decision making on Board and Sub Committees was considered strong and effective, with the rent setting discussions in January and February acknowledged as an example.
- The benefits of the Executive restructure in 2024 were apparent, with the new structure working well.
- Development opportunities included optimising the One Advanced reporting platform; developing further the recent changes in Board reporting, with alterations in style and content positively received; and continuing to being assured the Board had the commercial and financial understanding to underpin and support the delivery of the new strategy.
- Several members would be interested in future office bearer opportunities.
- The appraisal process confirmed no members intended to step down at the September AGM.

Following discussion on the consultant's suggestions, it was **AGREED** that the Governance Team would pull all the suggestions into one document and then liaise with the Board as to which recommendations should be progressed and which should not.

55.25 Annual Accounts 2024/25, Final Audit Findings Report and Letter of Representation

The IFD presented the report and confirmed that the consolidated financial statements, Cordale financial statements and the Audit Findings Report had been reviewed in detail by the ARMC at its meeting on 12 August 2025, when the Committee had endorsed the Consolidated Accounts as well as the accounts prepared for Cordale HA and recommended that they be formally approved by the Caledonia Management Board. The Cordale Management Committee had also considered and approved the Cordale financial statements at its meeting on 19 August 2025, subject to them being approved by the Caledonia Management Board.

Audit Findings

The IFD confirmed that there were no material unadjusted errors contained within the external auditor's findings report and only one internal control recommendation, which was not considered to be significant.

KAO congratulated the IFD and her team on the results of the audit, given the significant period of change faced by the team and this was endorsed by the remaining Board members.

AC also thanked the ARMC members for scrutinising the financial statements, which provided the Management Board with the assurance to approve the documents.

The Management Board **APPROVED** the Consolidated Annual Financial Statements and Cordale Annual Financial Statements for 2024/25 as recommended by the ARMC. The Management Board also **ENDORSED** the Letter of Representation and its contents and **AUTHORISED** the Chair to sign the document on behalf of Caledonia.

56.25 Quarterly Business Performance Reporting

56.25.1 Business Performance 2025-26 – Quarter 1 Update

The EDoPG presented the report and advised that, overall, performance in the first quarter was good, with 18 of the 20 (90%) quarterly indicators being on target. Exceptions information was provided where targets had not been met. Response times to non-emergency repairs were marginally over target whilst sickness absence levels were 0.2% above target. The EDOPG advised that a detailed update on absence performance and improvement actions had been presented to the Remuneration Committee in July 2025.

The EDoPG referred to the new Damp and Mould indicator and advised that 45 cases had been reported since 1 April 2025, however average completion times had not been provided in the report. The EDoPG explained that, due to the sad passing of the Asset Manager and the absence of a key member of the Asset team due to long-term sickness, analysis of the average completion time figure was still being undertaken and would be forthcoming as soon as it was available.

Board members queried how the emergency repair shortfall was being addressed and the Executive Director of Operations (EDoO) explained that monthly contract

performance reviews were held with all relevant contractors. These had been escalated and she was now involved in conversations.

The EDoO further advised that, following the comprehensive review of reactive maintenance services, four new maintenance inspection posts had been created; one Maintenance Team Leader post and three Maintenance Inspector posts. This team would provide a much more proactive approach to managing the performance of reactive repairs contractors, including damp and mould. The EDoO confirmed that the Team Leader post and two Maintenance Inspector posts had been filled and the successful applicants would start on Monday 1 September.

Amy Waite asked whether it was possible to include the industry benchmark for the indicators in the report. The EDoPG confirmed that comparative performance information from the SHR would be available from the Quarter 2 performance report.

Board members queried the link between contractors performance and the overspend in the reactive, damp and mould and re-let repairs budget detailed in the management accounts. The EDoO advised that there were a number of factors contributing to the overspend, including contractor performance, the Association's Schedule of Rates and the tendency to replace rather than repair items. The EDoO explained that, previously, data had been retained on Excel spreadsheets, however this had now been moved to PowerBi, allowing more data analysis to be undertaken in future. The EDoO advised that she was working closely with the Finance Team and that overspend had now slowed, however the budget would still be overspent and that adjustments were being made elsewhere in the budget to mitigate this.

Following a request from the Chair, it was **AGREED** that another column would be added to AE-10 - % of stock that became vacant, to show the quarterly figure along with the cumulative figure.

Business Plan Update

Following a question from the Board as to the ability of the Management Team to deliver the various projects, the EDoPG advised that there were no concerns with regards high level projects at present, however there were projects of an operational nature including the introduction of new finance and housing management systems, that had been paused due to the recent changes within certain teams.

56.25.2 Management Account for the Three Month Period to 30 June 2025

The IFD advised that first quarter results were tracking well, with some slight variances to budget noted at the three month point. Overall, surplus was tracking marginally below the budget surplus for both the year to date and the annual revised forecast. Financial covenants were forecasted and projected to be comfortably met and the overall position remained strong.

The net surplus to 30 June 2025 was £507K, slightly below the budgeted surplus of £554K, with a negative variance of £47K (8.6%). Following analysis and discussions with budget holders, the annual forecast position projected a surplus of £1.6 m, compared to a budgeted surplus of £1.2m and an overall negative variance of £155K (9.5%). Income

has increased by £445K due to an increased Stage 3 grant award and insurance claims receivable, however the increased income of £445K would be offset by increased expenditure at the same levels.

As discussed previously, actual spend on reactive, damp and mould and re-let repairs was £105k (12%) over budget for the period and annual projected spend had been increased to reflect increased expenditure. Overall annual forecast was £2,951k, a projected overspend of £451k (18%). Spend in this area continued to be an area of close monitoring. Discussions with budget holders were ongoing and new protocols were in place around the authorisation and escalation process for work order approvals. Further analysis was being undertaken and spend would be closely monitored throughout the remaining quarters.

Board members noted that gearing was forecast to be 27% by the end of the financial year, which was very close to the covenant gearing figure of 28%. The IFD confirmed that this was an area that had been highlighted as part of the treasury management exercise and it had been noted at the April strategy session that gearing trend would need to be revisited and discussed with lenders.

Board Members **NOTED** the management accounts for the three month period to 30 June 2025.

57.25 Applications for Membership of the Association

Board Members **APPROVED** the applications for membership from Stewart Talbot and Aileen Wallace.

ITEMS for INFORMATION

58.25 Minutes of the Cordale HA Management Committee Meeting held on Tuesday 20 May 2025

Board Members **NOTED** the above minutes.

59.25 Minutes of the Group Audit & Risk Management Committee held on Tuesday 10 June 2025 and Corporate Risk Register

Board Members queried the progress with developing an Artificial Intelligence (AI) Policy. The EDoPG advised that the draft policy was currently being considered by senior staff and relevant teams and would be presented to the Management Board for consideration and approval thereafter.

The Chair queried whether AI should be included in the Risk Register. The EDoPG advised that the Management Team would consider this emerging risk and advise the ARMC if it was felt that it should be added to the register.

Following a query from a Board member, the EDoPG clarified that the revision to the internal audit programme for 2025.26 had been discussed with the Chair of the ARMC with the rationale for revising the programme then reported to the ARMC.

Board Members **NOTED** the minutes.

60.25 Development Programme Update

This report is confidential as it is commercially sensitive and publication could harm commercial interests.

61.25 Planned & Cyclical Maintenance Update

The EDoO highlighted the underspend in the planned maintenance budget and advised that the Asset team was working hard to bring forward alternative pipeline projects, such as kitchen and bathroom replacement. The window and door replacement contract in Faifley had also been extended.

The Stock Condition Survey had been completed for this financial year and the information was now being collated and would assist with the strategy planning for the next 5 year period.

A response to the application for Social Housing Net Zero funding for the BISF properties was expected in the next few weeks and would determine whether the work was undertaken over one or two years.

Following a query on the Pest Control budget, the EDoO confirmed that the figure shown was the current committed spend for the year; however, consideration would be given to increasing the budget in the next financial year when undertaking the budget planning process.

Board Members also queried whether the information in the report could be provided in a more dynamic format and the EDoO suggested that PowerBi reports could be shared with the Board.

62.25 Rule 68 Update

Board members **NOTED** that Rules 62 to 67 of the Association's Rules had been followed.

63.25 Annual Report of the Group Audit & Risk Management Committee

The EDoPG advised that the purpose of the report was to provide a summary of the work undertaken by the Group ARMC during the 2024/25 reporting period.

Board members **NOTED** the activities carried out in the year and the contents of the Annual Report.

64.25 Annual Complaints Handling Performance Report

The EDoPG advised that complaints handling performance was closely monitored on an ongoing basis by the Association, both at operational and management level with performance against key indicators reported to the Board as part of the quarterly

Business Performance Report. This annual report provided members with a more detailed insight into complaints performance over the 2024/25 reporting year.

The EDoPG noted the increase in both Stage 1 and Stage 2 complaints and advised that there were a number of reasons for this, namely:

- The Association had grown in size and consequently had more tenants.
- Staff training over the last six months had raised awareness of how to capture and record a complaint.
- Increased customer expectations.

The EDoPG explained that comparative analysis had shown that these trends were comparable to Associations of a similar size to Caledonia. The Chair suggested that it would be helpful to include comparative data in future reports.

The Board queried what part, if any, AI played in complaint handling and the EDoPG advised that all complaints were dealt with as a person to person service and that this was unlikely to change.

Board Members **NOTED** the Annual Complaints Handling Performance Report.

65.25 Any Other Competent Business

The Chair reminded members that the Annual General Meeting would be held at 2 p.m. on Tuesday 23 September 2025 and that this would be followed by a short Board meeting. The Chair also reminded members to let the Governance Officer know if they were attending the meal afterwards.

Following a comment from a Board Member on his availability on Tuesdays, the Chair advised that the schedule of meetings for 2026 would be discussed at the Strategy Session in November to agree dates that worked for all members.

There being no other competent business, the meeting concluded at 8.05 p.m.

Chair’s Signature: