CALEDONIA HOUSING ASSOCIATION LTD

MINUTES OF THE MANAGEMENT BOARD MEETING
HELD ON THURSDAY 12 FEBRUARY 2026 AT 6 PM
IN PERSON AT SUITE 4, SALTIRE HOUSE, WHITEFRIARS CRESCENT, PERTH
AND VIRTUALLY ON MICROSOFT TEAMS

Present:	Allan Jones	Chair	(SH)
	Derek Robertson	Vice Chair	(SH)
	Katherine Burke	(from Item 05.26)	(MT)
	Anne Culley		(MT)
	Amy Ingham-Waite		(MT)
	Murdo Mackay		(MT)
	Douglas McLaren		(SH)
	Margaret McLay		(MT)
Apologies:	Gary Grigor		
	Keri-ann Osfield		
In Attendance:	Julie Cosgrove	Chief Executive	(SH)
	Ross Carlin	Executive Director of Finance	(SH)
	Jill Fraser	Executive Director of Operations	(SH)
	Barry Johnstone	Executive Director of People & Governance	(SH)
	Matt Lock	Head of Frontline Services	(SH)
	Cameron Lyall	Finance Manager	(SH)
	Stuart Robertson	Governance Manager	(SH)
	Jenny Dalton	Governance Officer (Minute Taker)	(SH)

01.26 Apologies

Apologies were **NOTED** for Gary Grigor and Keri-Ann Osfield.

02.26 Declaration of Interest

On behalf of all staff present, the Executive Director of People & Governance (EDoPG) declared an interest in Agenda Item 08-26 – Outcomes of the Remuneration Meeting held on Wednesday 14 January 2026 (including draft Remuneration Committee minutes). Members **AGREED** that all staff, with the exception of the EDoPG who would remain to answer any questions, would leave the meeting whilst this item was discussed. The Chair and Vice Chair, in his role as Chair of the Group Audit & Risk Management Committee, also declared an interest in Agenda Item 08.26. Members **AGREED** that the Chair and Vice Chair would leave the meeting whilst Board remuneration was discussed.

Katherine Burke (KB) joined the meeting at 6.10 p.m. and declared an interest in Agenda Item 06.26 – Rent Increase Proposals and Consultation Outcome. Members **AGREED** that Katherine could remain in the meeting whilst the item was discussed as it affected all tenants. KB also declared an interest in Agenda Item

15.26 – Planned and Cyclical Maintenance Update – West Heather Road heating analysis. A decision would be made as to whether KB could remain in the meeting should this item be discussed.

ITEMS for DISCUSSION and/or APPROVAL

03.26 Draft Minutes of the Management Board Meeting held on 16 December 2026

The Chief Executive advised that Anne Culley (AC) had highlighted that the use of the wording "proposed appointees" in the Cordale Governance section could be misleading and suggest that these were appointments made by the Scottish Housing Regulator (SHR). It was therefore proposed that the wording be changed to "proposed new Committee members" and this was **APPROVED** by members. Board members **AGREED** that the minutes were a true and accurate record of the meeting, subject to this amendment being made. **APPROVAL** of the minutes was proposed by Margaret McLay and seconded by Murdo Mackay. The Governance Officer would now arrange for the minutes to be signed by the Chair.

The Chair advised that KB was experiencing technical issues but would keep trying to join the meeting.

04.26 Matters Arising

Members **NOTED** the update on outstanding actions from previous Board meetings and raised the following points.

Item 83.25 – Chief Executive's Report	Members noted that the meeting with Devonshires had taken place without input from Board members. The Chief Executive explained that, in light of board time commitments and the content of the meeting, the discussion with Devonshires was undertaken by the Directors, who would then provide updates to the Board on any strategic matters arising. It was acknowledged that this approach differed from the wording recorded in the action points from the December Board meeting.
Item 98.25 - Schedule of Meetings	The Chief Executive advised that Richard Meade (RM), the Chief Executive of the Scottish Federation of Housing Associations (SFHA) had accepted the invitation to attend the Management Board strategy session on Friday12 June. As the strategy session was being held after the Scottish elections, it was anticipated that RM would be able to provide insight into the impact the new parliamentary composition could have on the sector. Members noted that the strategy session would be held on Friday 12 June and discussed carrying out

site visits to new and existing stock during the afternoon of Thursday 11 June.

The Chief Executive advised that further consideration would be given to the venue and content of the strategy session and revert to Board members.

Katherine Burke joined the meeting at this point.

05.26 Chief Executive's Report

Scottish Government Updates

The Chief Executive provided an overview of recent actions and announcements made by the Scottish Government that impacted social housing sector; however, she cautioned that a number of them could be affected by the result of the forthcoming Scottish Parliament elections.

The main points to note were:

- The increase to the Affordable Housing Supply Programme (AHSP) and multi-year commitment over four years to £4.9bn. Whilst this was welcome, it was almost half of what was deemed to be necessary to meet demand as outlined in research by SFHA, CIH and Shelter.

- The First Minister (FM) had recently announced the setting up of a new agency, More Homes Scotland, which would aim to focus on simplicity, scale and speed to deliver more homes to help need. Generally, this had been welcomed but more information was needed on how it would operate. There was also criticism within the sector that the housing crisis was announced two years ago, and it would take almost a further two years to be fully operational.

- It was now less than 100 days to the Scottish Parliament elections, and a number of organisations were publishing their manifestos and asks of any new government. The SFHA had recently launched its manifesto which sought:
  - Increased funding for new homes of £1.6 bn per annum for the life of the parliament
  - Clarity on net zero standards
  - Funding for RSLs to prevent homelessness
  - Funding for the adaptations budget to support an ageing population.

- Housing Scotland Act was enacted in November 2025 with the main issues for RSLs being:
  - the regulations relating to damp and mould with more detail expected over the coming months. RSL's would start reporting on damp and mould in the Annual Return on the Charter (ARC) from this year.

- Duty to “Ask and Act” to prevent homelessness with further regulations being developed to support implementation.

Cordale Governance

Progress continued to be made, with the four new members attending their first Committee meeting on 10 February 2026. The new members were also progressing through a comprehensive induction programme. The next development session with the Cordale Management Committee was planned for March and would focus on integrating the new members.

It had been previously agreed that a review of Cordale governance would be undertaken in March. Given that the new members had only recently joined, it was proposed that the review date be rescheduled for August 2026.

Board members **APPROVED** the rescheduling of the review from March to August 2026. The EDoPG advised that the SHR had been informed of the potential for an extension to the review date and were assured with the initial improvement actions and would be kept informed of progress.

Northwood Cottage Disposal

The Chief Executive explained that Northwood Cottage was part of the bequeath from the Northwood Charitable Trust that previously included the Broughty ferry office, grounds and the cottage, all of which was formerly owned by D C Thomson.

The office was sold in 2024, leaving just the cottage. The cottage is the only tenanted property amongst a shared ownership development, and it was proposed that the property be disposed of in line with the principles set out in the Group Acquisition and Disposal Policy. The agreement of the Northwood Charitable Trust would be sought before putting the property on the market, on the basis that the proceeds would be used for charitable purposes.

Board members **APPROVED** the disposal of the cottage, subject to the agreement of the Northwood Charitable Trust.

The disposal would be reported to the SHR as a notifiable event.

Membership Application

Board members **APPROVED** the application for membership of the Association.

Policy Updates

Travel & Subsistence Policy

The Travel and Subsistence Policy had been reviewed to include additional guidance for employees with a disability to support safe travel whilst ensuring subsistence arrangements were inclusive and considerate of religion and beliefs. Monthly expenses submissions were being brought forward to reflect the growing range of salary sacrifice benefits for staff. No changes had been made to essential car user allowance, which was a contractual benefit for a large number of staff, and it had been agreed that the Remuneration Committee would review this benefit later in the year.

Entitlement, Payment and Benefits Policy

The SFHA had recently reviewed the model Entitlement, Payment and Benefits (EPB) policy and the Group EPB Policy had been reviewed to include the changes.

The revisions included:

- Two updated clauses relating to the award of contracts to connected people, taking account of public procurement legislation
- Section 2 – Managing your Interest – had been updated to provide guidance on declaring and managing interests
- Granting a tenancy to staff, governing body members or someone closely connected to them no longer required the prior approval of the governing body and could be approved by a senior officer in accordance with the Scheme of Delegated Authority (the Scheme of Delegated Authority would be updated to reflect this). The allocation should however be reported to the next meeting of the Governing Body.
- Updated thresholds for gifts and hospitality to take account of inflation (i.e. gifts received from tenants and external sources increased from £60 to £70. Gifts given by us to our people to mark a special occasion increased from £100 to £120)
- The entitlements, payments and benefits table that was previously an appendix to the policy was now part of the policy and included at section 8.

Annual Review of the Charter (ARC)

Annually we are required to submit statistical information to SHR. The return requires to be submitted by the end of May and requires Board approval. Due to the change in the meeting schedule which has an earlier date for the May meeting, it was proposed that a special virtual meeting be held to discuss and approve the ARC return.

The Board **APPROVED** the proposal to schedule a special ARC virtual Board meeting in May to review and approve the ARC before submission to SHR.

Ballinluig Floods

Six properties in Ballinluig, Perthshire had been flooded on 22 January 2026, as a result of torrential rain. Staff were quickly on site to assist tenants and secure temporary accommodation. Five tenants had since been rehoused to allow their properties to be dried out and fully assessed for remedial works to be undertaken, whilst the other tenant was able to return home.

Members queried whether the Association would be submitting an insurance claim for the damage to the properties. The Executive Director of Operations (EDoO) advised that a decision would be made once the reinstatement costs were known.

06.26 Rent Increase Proposals and Consultation Outcome

The EDoO advised that, following approval by the Board in January to consult with tenants on rent increase options of 5% or 6%, information leaflets were emailed to all tenants with a registered email address and posted to all other tenants, with a pre-paid envelope to reply with their views. The rent consultation was also promoted on Caledonia's website and through social media channels. Faifley tenants were sent a different letter advising that their rent continued to be frozen in line with the transfer of engagement commitment. In consideration of all the factors detailed in the report, it was being recommended that the Board approve a rent increase of 5% for the 2026/27 financial year.

The EDoO confirmed that the Rent and Service Charge Setting Policy and all legislative and regulatory requirements had been applied and met during the rent increase process.

A total of 513 tenants; approximately 10% of the tenants consulted, responded by the deadline of 25 January 2026. This was a positive increase from 2025/26, when only 265 responses were received. This was the first year that options had been given through this process, which may have contributed to the engagement increase. The outcome of the consultation was that 78% of tenants who responded opted for a 5% increase, 21% preferred a 6% rent increase and 1% did not specify which increase amount they would opt for.

A sample of the comments received from tenants were included in the report. Comments from tenants who supported an increase in rent included satisfaction with planned maintenance work to their homes, i.e. new windows and doors and satisfaction with the service provided by the Association. Comments from tenants who did not support a rent increase included affordability and cost of living pressures, lack of improvements to their homes and dissatisfaction with repairs.

With regards to service charges, the EDoO explained that these were property specific and reviewed annually to ensure they fairly and fully recovered the cost of providing services. Overall, service charges would rise by just over 6% in 2026/27. The EDoO added that factoring charges were not included as they were managed separately under the Property Factors (Scotland) Act 2011.

Following a query from a Board member, the Head of Frontline Services (HoFS) advised that the vast majority of comments received were anonymous; however, where the tenant was known and had made a specific negative comment, arrangements would be made to follow this up with them. The EDoO also advised that tenants who had responded to the consultation would be thanked within the rent increase letter.

Board members queried how tenants would be notified of the Board's decision. The HoFS advised that the results of the rent consultation and the Board decision would be included in the next tenants' newsletter.

Board members also suggested that a breakdown of the tenants who responded to the consultation would be useful and the HoFS advised that he was hopeful that more detailed analysis could be provided next year.

Board members agreed that, whilst it was important that rent increases were affordable to tenants, the financial viability of the Association was critical. Members noted that a 5% rent increase would ensure the Association had sufficient income to remain viable, be able to deliver its' Business Plan commitments and achieve an acceptable surplus.

Board members **APPROVED** the rent increase of 5% and service charges for 2026/27 as outlined in the report.

07.26 Group Business Plan 2026-2031

The EDoPG presented the Business Plan and confirmed that it aligned with the five-year budget that would be considered elsewhere on the agenda. The Plan had been developed through several Board strategy sessions between November 2024 and November 2025 and, following Board direction, had been streamlined and designed to strengthen accessibility and to be visually engaging, explaining Caledonia's purpose and priorities. The Plan's design elements remained in development, however the draft Plan presented to the Board provided an outline of the anticipated format. An implementation plan had been designed to support operational delivery, and progress would be reported to the Management Board on a quarterly basis. A monitoring framework would also be presented to the Management Board in May 2026.

The EDoPG confirmed that the Business Plan had been presented to the Cordale Management Committee on 10 February 2026 and that there had been no amendments.

The key priorities in the Plan focussed on:

- Digital transformation that improves services
- Developing people through change
- Investing in our homes
- Delivering reliable, responsive and affordable services

The Plan also had specific sections on the importance of tenant engagement, governance and financial management.

The members noted the self-assessment regarding how the new Business Plan meets SHR Business Planning Guidance.

A Board member queried whether child poverty should be addressed within the context of supporting tenants beyond housing. The Chief Executive agreed that child poverty should be acknowledged within the Plan given the Scottish Government's drive on the reduction of child poverty.

Board members congratulated staff on the revised format of the Business Plan, comments included that it was easy to read and well laid out with excellent graphics.

Board members **APPROVED** the 2026-31 Business Plan.

Staff members, with the exception of the EDoPG, left the meeting while the next item was discussed. The Chair and Vice Chair (in his role of Chair of the Group Audit & Risk Management Committee) also left the meeting whilst Board remuneration was discussed.

08.26 Confidential - Outcomes of the Remuneration Committee Meeting held on Wednesday 14 January 2026 (including Draft Remuneration Committee Minutes)

All staff, except the EDoPG, left the meeting at this point.

The EDoPG, in the absence of K Osfield, Chair of Remuneration Committee, summarised discussions at the Remuneration Committee and key recommendations presented to the Board.

Regarding the annual salary uplift, Board members asked for clarity on the benchmarking process and what independent data had been used to inform the recommendation of 3.7% increase.

The EDoPG explained the information which informed the recommendation and the Board approved a 3.7% increase to be applied to all staff and to increase the salaries of x 2 modern apprentices by 6.7% to meet the uplift to the Real Living Wage.

The Chair and Vice Chair left the meeting at this point.

The Board acknowledged the Remuneration Committee's review of the Board remuneration policy framework, the annual appraisal review of both remunerated posts, Chair and Chair of ARMC, and approved the Committee's recommendation, based on independent market data and advice, to apply a 3.7% increase to both remunerated posts.

The members requested that when the Board Remuneration Policy is reviewed in 2026 that the Board consider and are assured that remuneration continues to improve governance and deliver value of money in the context of regulatory requirements.

Staff and the Chair and Vice Chair re-joined the meeting at this point.

The Chair noted that the time was now 8 p.m. and asked whether Board members were happy to continue with the meeting. Board members **AGREED** to continue.

09.26 Draft Caledonia HA Budget for the Five-Year Period to 31 March 2031

The Executive Director of Finance (EDoF) advised that the purpose of the report was to approve the proposed 5-year budget for the period 1 April 2026 to 31 March 2031.

The proposed budget and the attached sensitivity analysis demonstrated that Caledonia remained financially resilient over the period of the projections and that sufficient resources were available to enable key Business Plan objectives to be achieved, albeit with some adjustments to planned maintenance commitments.

Key changes from the draft budget presented at the December 2025 Board meeting were as follows:

- The revised forecast surplus for FY2026/27 was £1.1m, representing a £119k reduction from the draft budget previously presented. This variance was primarily due to the inclusion of Rosebank legal fees (£50k) and additional IT costs (£45K).
- The FY2026/27 budgeted salary increase had been reduced from 4% to 3.7%, reflecting the recommendation of the Remuneration Committee at its meeting on 14 January 2026.
- The Digital Transformation budget, originally set at £500k per annum for the first three years, had been reduced. To maintain a surplus floor in excess of £1m, the Year 3 allocation for digital transformation had been removed.

Board members **APPROVED** the draft budget for the five-year period to 31 March 2031.

10.26 Cordale HA Draft Budget for the Five-Year Period to 31 March 2031

The EDoF advised that the financial statements demonstrated that the Association was in a position to meet all known and predicted financial commitments. The plan forecast a positive surplus in every year, providing the financial capacity to sustain £3.2m of planned maintenance over the five-year period at a time when the Association's ability to invest was constrained by high inflation, rising debt-servicing costs and covenant restrictions.

The EDoF advised that, following successful negotiations with Virgin Money, the EBIT >150% covenant had been removed, eradicating the previously forecast covenant breach in 2026/27. Virgin Money had also agreed to revisit all covenants and loan agreements with a view to consolidating or streamlining them.

The EDoF advised that the budget had been considered and approved by Cordale's Management Committee at its meeting on 10 February 2026; however, in line with the Intragroup Agreement between Caledonia and Cordale, the budget could not be adopted until it had been approved by the Caledonia Management Board. The proposed budget reflected the rental increase of 5% as consulted on with Cordale tenants.

Board Members **APPROVED** Cordale's draft budget.

POLICIES for DISCUSSION and/or APPROVAL

11.26 Tenant Engagement Strategy

The EDoO presented the Tenant Engagement Strategy and advised that Board approval was required to implement and publish the Strategy. The EdoO confirmed that the Strategy had been considered and approved by the Cordale Management Committee at its meeting on 10 February 2026.

As part of the Housing (Scotland) Act 2001, the Association was required to have a Tenant Engagement Strategy in place. This would replace the interim 2024-25 Strategy and was in accordance with regulatory obligations. The EDoO also advised that the document aligned with the requirements of the Annual Assurance Improvement Plan 2025-26.

In developing the Strategy, the Group had engaged with and received feedback from tenants, considering their views and ideas to understand how to work effectively with tenants and to ensure they had a clear voice in shaping services, improving neighbourhoods and influencing decisions. Engagement activities would seek to promote equality, inclusivity and tenant voice, ensuring diverse and accessible participation pathways. Enhanced engagement was expected to support tenant wellbeing and contribute to Environmental, Social and Governance (ESG) goals through collaborative decision-making.

Tenant specific communications would be developed to promote and encourage engagement once the Strategy had been approved, with a detailed Framework Implementation Plan drawn up for internal purposes to ensure that all staff members were aware of the ways in which they too could contribute to these activities.

A Board member queried how tenants' opinions would be communicated to the governing bodies in order that they could be taken into account in decision making. The HOFS advised that the Framework document would outline the governing bodies' role in tenant engagement and how tenants' opinions would be reported back to the governing bodies.

Following a query from another Board member as to how the Association would measure whether tenant engagement was influencing decisions and service changes, the EDoO explained that data software would be introduced to obtain feedback from tenants at a local level, specifically around community and neighbourhood related elements. Actions taken as a result of this feedback would be reported to tenants so that they could see the difference their opinions made.

Board members **APPROVED** the implementation and publishing of the new Group Tenant Engagement Strategy.

ITEMS for INFORMATION

The Chair observed that the time was now 8.15 p.m. and suggested that the remaining reports be minuted as noted unless members had any comments that they wished to make. Board members confirmed that they had read through the remaining papers and were happy with their contents. The following reports were therefore **NOTED**.

12.26 Draft Minutes of the Cordale HA Management Committee Meeting held on Tuesday 9 December 2025

The minutes were **NOTED**

13.26 Quarterly Business Performance Reporting

13.26.1 Business Performance 2025-26 – Quarter 3 Update

The Business Performance Report was **NOTED**.

13.26.2 Management Accounts for the Nine Month Period to 31 December 2025

The Management Accounts for the nine-month period to 31 December 2025 were **NOTED**.

14.26 Development Programme Update 2025/26

The Development Programme Update was **NOTED**.

15.26 Planned and Cyclical Maintenance Update

The Planned and Cyclical Maintenance Update was **NOTED**.

16 .26 Any Other Competent Business

The Chair advised that he and AC had attended the event to mark the completion of the first phase of the Bellsmyre regeneration project on 26 January. He added that the event was well organised and well attended and was a credit to all staff involved.

There being no other competent business, the meeting concluded at 8.20 p.m.

Chair's Signature: ....