

## **CORDALE HOUSING ASSOCIATION LTD**

### **MINUTES OF THE MANAGEMENT COMMITTEE MEETING HELD ON TUESDAY 18 FEBRUARY 2025 AT 6.30pm BY VIDEO CONFERENCE AND IN CORDALE OFFICE**

**Present** Margaret McCallion (Chair)  
Veronica Hamilton  
Thomas Ewing  
Sharon Murray  
Sheena Wain  
Gillian Robertson (Teams)

**Apologies** Martin Walker (LOA)  
Eric Farren

**Not Present**

<b>In Attendance</b>	Barry Johnstone	Executive Director of People & Governance, Caledonia HA
	Matt Lock	Head of Frontline Services, Caledonia HA
	Alec Drain	Asset Team Leader, Caledonia HA (Teams)
	Peter Fotheringham	Executive Director of Finance, Caledonia HA (Teams)
	Julie Watson	Head of Investment & Sustainability, Caledonia HA (Teams)
	Lee Patullo	Finance Officer (Teams)
	Maura Elliott	Governance Officer, Caledonia HA, Minutes

#### **13.25 Application to Join Cordale Management Committee**

The Committee **APPROVED** the appointment of Sheena Wain to fill a casual vacancy on the Cordale Management Committee.

The Chair welcomed Sheena to the meeting and staff members introduced themselves.

The Chair advised the members that two resignation letters had been received from Canon Peter McBride and Chris Small.

#### **14.25 Apologies**

Apologies were received from Martin Walker (LOA) and Eric Farren.

#### **15.25 Declaration of Interest**

Veronica Hamilton, Sharon Murray and Thomas Ewing declared an interest in Item 19.25, Rent Increase Proposals and Consultation Proposals Outcome. It was agreed that the members could remain in the meeting whilst item 19.25 was discussed as the rent increase proposal affected all tenants.

**16.25 Draft Minutes of Cordale Management Committee Meeting held on Tuesday 21 January 205**

Approval of the minutes was proposed by Veronica Hamilton and seconded by Thomas Ewing.

**17.25 Matters Arising**

The Head of Frontline Services (HoFS) provided an update on the action list highlighting the following:

Waterside View – Guest Room - The HoFS confirmed the figure for the guest room income and advised that the use of the second guest room would be reinstated.

Waterside View – Damp and Mould - The Area Team Leader (ATL) advised that remedial works were ongoing and extensive work had been carried out in the attic. When these works were completed, works on individual flats would commence. Tenants would be kept up to date with progress.

The remainder of the action list was **NOTED** by Committee.

**18.25 Head of Frontline Services Report**

The HoFS provided members with updates/information that were of significant operational or strategic importance to the Association.

Business Performance Update

143 non-emergency repairs were raised in January with 77.6% being completed by the end of the month. Emergency repair completion times were similar to previous months, however, non-emergency repairs times had improved.

Jan 2025	Emergency Repairs (hrs)	Non-Emergency Repairs (working days)
Caledonia	3.80	4.43
Cordale	3.36	4.44

Allocations: During January there was 1 termination of tenancy in Cordale. In the same period Caledonia had 37 terminations of tenancy.

Jan 2025	No. of Voids Let	Void rent loss £	% void rent loss
Caledonia	43	£28,670.60	1.30%
Cordale	1	£1,472.55	0.65%

Gross rent arrears (current and former tenants) for the Group at the end of January was 5.93% (Current 3.99%, Former 1.94%) of the Group annual debit. Cordale's gross rent

arrears was 5.79% (Former 1.25% Current 4.54%) of the Cordale annual debit. For the same period in 2024, the Cordale gross rent arrears was 5.37% (Former 1.37, Current 4.00%).

Tenant Safety: During January all gas services were completed within target date.

Following a query from a member, the HoFS confirmed the average re-let target and added that voids re-let times were impacted by Waterside View. Following a brief discussion, the HoFS advised that there was no nominations agreement in place with WDC for Waterside View and the ongoing review would consider allocations.

#### Waterside View

The HoFS advised that there were currently no void properties at Waterside View.

The HoFS added that discussions were ongoing with Carman Care on the long-term option for the service.

#### Other Updates

The HoFS advised that the costs for skip hire had increased significantly and detailed the benefit of this for tenants and residents. The members discussed the hire of skips and added that this could be reduced to once per year. The ATL added that the costs of the skip hire were allocated against the community environmental fund and the Association had received positive feedback for this service. The HoFS advised that he would provide costs for this service at the next meeting.

The Management Committee **NOTED** the report.

### **19.25 Annual Rent Increase Consultation 2025/26**

The HoFS confirmed that an extensive tenant consultation exercise had been undertaken based on a rent increase proposal of 4% for 2025/26, as agreed by the Management Committee at its meeting on 21 January 2025. A consultation leaflet had been prepared and posted to all tenants, which included information on the Business Plan priorities, together with a pre-paid envelope to allow them to respond with their views. An electronic survey was also distributed to tenants who had registered their email. Information on the rent increase proposal was also provided on the website and through social media, which provided a link to the survey. All responses were included in a prize draw as an incentive.

As of 22 February 2025, 29 responses (5.6% of Cordale tenants) had been received, which was lower than the responses received last year, with 12 (41%) of respondents indicating the rent increase proposal was fair and reasonable and 17 (59%) indicating that they did not feel it was fair and reasonable. It was noted that the outcome of the consultation exercise was that tenants were not in favour of the rent increase proposal, which was anticipated given that the survey was undertaken during continued cost of living challenges.

The HoFS advised that as a further measure to test rent affordability the Association used the SFHA affordability tool, which allowed users to calculate a number of affordability

measures for a proposed rent increase. He explained the measures used and advised that rent was considered to be less affordable if a tenant was required to spend more than 25% of income on their rent.

The HoFS advised that the service charges for Dalquhurn Estate and Waterside View would increase slightly on 2024/25 levels.

Members discussed the feedback percentage compared with last year's returns and the help available for tenants having difficulties with increasing costs. The HoFS added that Neighbourhood Officers look at all arrears and contact tenants where necessary. Advice and assistance would also be provided if required.

The Management Committee **CONSIDERED** and **APPROVED** the final rent increase and service charges increase subject to approving the Business Plan and Budget for 2025/26, to be discussed at a later item in the agenda.

## **20.25 Business Plan, 2025-2030**

The Executive Director of People & Governance (EDoPG) presented the Group Business Plan for the period 2025-30 to the members advising that a comprehensive review of the Business Plan would be undertaken in 2025. The scheduled Strategy sessions would inform the development of the new Plan by considering future service, investment and employer priorities. He added that the Implementation Plan would be incorporated when the Business Plan and strategic priorities had been approved. The performance information and financial information would comprise the relevant sections from the Cordale and Caledonia Business performance and Budget reports to be considered at the Governing Body meetings elsewhere on the agenda.

The EDoPG highlighted the key priorities for the Group and the key priorities for Cordale adding that they continued to focus on delivering the Group strategic priorities while ensuring that they were structured to reflect the local perspective and the specific needs of Cordale tenants and the wider community and stakeholders. The EDoPG added that a final version of the Business Plan would be shared with Committee.

The Management Committee members **CONSIDERED** and **DISCUSSED** the Draft Group Business Plan and confirmed they **APPROVED** the content and Cordale local priorities. They also **NOTED** that the Business Plan would be considered for approval by the Caledonia Management Board at their meeting on 25 February 2025.

## **21.25 Budget for the Five-Year Period to 31 March 2030**

The Executive Director of Finance (EDoF) presented the five-year projections and accompanying notes detailing the Association's plans for the five-year period to 31 March 2030 and advised that the proposed budget reflected the rental increase of 4% as consulted on with tenants and highlighted the minor amendments made to the draft budget considered by the Management Committee in January.

The EDoF added that the results of the five-year projections showed that:

- The Association would continue to deliver a positive surplus in each of the five years
- The Association's operating surplus would enable the continued significant investment in planned maintenance and major repairs
- Banking covenants would be met throughout the period of the projections after allowing for the costs of additional debt funding

Following a query from a member in relation to the increased cost of employer national insurance contributions, the EDoF confirmed that salary costs for the Group would increase by around 2.5% due to this increase.

The Management Committee **APPROVED** the draft budget.

## **22.25 Quarterly Performance Reporting**

### **22.25.1 Business Performance 2024-25 – Quarter 3 Update**

The EDoF presented the Business Performance Quarter 3 Update report, which covered the third quarter of the year. Eight of the quarterly Key Performance Indicators (KPIs), out of twenty-two, were below target. The reasons for this and the actions being taken to mitigate were outlined in the report and the appendix.

The members discussed indicator AE-9, % of new tenancies sustained for more than a year, and commented that it would be helpful to have more information on the reason for end of tenancies. The HoFS advised that the high turnover of properties in Waterside View was included in this figure and confirmed that further information would be provided in the report going forward.

There was a brief discussion on pre-termination visits and exit surveys for termination of tenancies. The ATL commented that pre-termination visits were helpful for staff and advised that this was something that the Association intended to reinstate.

The report also provided members with an update on progress over quarter 3 with the strategic priority actions identified within the Business Plan for 2024-29. The EDoF advised that 7 of the 9 actions (78%) due for completion over the period had been achieved and work was progressing on quarter 4 activities. The EDoF highlighted that guidance on the new Scottish Housing Net Zero Standard requirements had been delayed and that had impacted on planned investment decisions and, following the retirement of the Head of IT, there was a delay in the strategic review of the QL system, which would be carried forward to 2025/26 plans.

The EDoF provided an update on the Annual Assurance Improvement Plan actions to the end of quarter 3 and advised that the 4 remaining outstanding actions were due to be completed by the end of quarter 4.

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

### **22.25.2 Management Accounts for the Period ended 31 December 2024**

The Finance Officer (FO) provided a brief update on the Management Accounts detailing Cordale's financial activity for the period ended 31 December 2024.

The FO commented on the surplus for the quarter, which was a positive variance against the projected surplus. The turnover was higher than the turnover for the same period last year, which was mainly due to the rent increase of 7.7%, partially offset by a reduction in service charge income as a result of the reduction of Waterside View service charges and a house sale.

Operating expenditure was lower than the same period in the previous year, 31 December 2023, due to savings in reactive maintenance spend and good performance of bad debts.

The FO reported that although cash balances had decreased throughout the year due to the development at Dalquhurn, this was still within the treasury golden rule for cash balances and would be monitored closely. He added that all financial covenants were met.

Following a query from the Chair, the FO advised that the commercial rental income related to three properties and that he would confirm the details to members.

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

**23.25      Consent to proceed with amended funding agreement with Clydesdale Bank PLC (Trading as Virgin Money)**

*This item is confidential as it is commercially sensitive and publication would harm commercial interests.*

**24.25      Consent to proceed with amendment to existing funding agreement with Royal Bank of Scotland PLC**

*This item is confidential as it is commercially sensitive and publication would harm commercial interests.*

**25.25      Appraisal Framework**

The Executive Director of People and Governance (EDoPG) advised that Management Committee appraisals were scheduled to take place between March – June and advised that, in line with the Group Appraisal policy, it was proposed that Paul Hillard of Hillard Consulting was commissioned to support this year's Management Committee appraisal process.

The EDoPG added that the support provided by Hillard consulting would include:

- Support with the administration and recording of appraisal meetings. This would include supporting the Chair to have individual appraisal meetings which would involve understanding the aspirations of members and future priorities.

- Observation of a Management Committee meeting – providing feedback on Committee strengths and areas for improvement.
- Facilitation of a Management Committee meeting informed by the outcomes of the appraisal and considers governance options that best align with Cordale’s future objectives and Committee Members’ aspirations.
- Providing a final report on the annual appraisal process that assesses governance practices, regulatory compliance, the effectiveness of the Committee, and considers future priorities and options within the context of Cordale’s objectives and Committee Members aspirations.

A member asked if there was an induction programme for new Committee Members. The EDoPG confirmed that there was a comprehensive induction programme in place to provide information / training to new members to equip them for their role as Committee members.

Following a query about Committee personal development, the EDoPG advised that meeting dates were set aside for strategy and development sessions based on the outcomes from the appraisal process.

The EDoPG confirmed that there was a training budget in place which was provided earlier in the meeting at item 21.25, Budget for the Five Year period to 31<sup>st</sup> March 2030. He added that a blended approach of internal and external training was provided which varied year to year depending on the requirements.

The Committee **APPROVED** the appointment of Hillard Consulting to support the 2025 appraisal process.

## 26.25 Development Progress Update Report

The Head of Investment & Sustainability (HoIS) provided an update on the Dalquhurn works and advised that the programme was slightly behind schedule, however, the contractor was confident in making up this time, no serious delays were envisaged, and first handovers were expected in early summer.

The Scottish Government had indicated that they may be able to fund some of the front funding prior to the end of this financial year. The HoIS advised that the Finance team had been provided with the relevant supporting information and would be able to make the grant funding application quickly if required.

The Chair commented that she was pleased with the progress made and the standard of the homes at Dalquhurn. The HoIS confirmed that pre-handover visits for Committee members would be arranged.

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

## 27.25 Planned Maintenance and Cyclical Investment Programme Update

The ATL provided members with an overview of the Planned Maintenance Programme for 2024/25, highlighting the following:

- Windows and doors pilot tender return date had been extended to 17 February and it was anticipated that works would proceed in the first quarter of 2025/26. The ATL added that six returns had been received for the 5-year tender package and that costs were competitive. The ATL would provide a further update once tenders had been reviewed.
- External lighting – works progressing and on schedule for completion within quarter 4. Energy efficiency measures at Waterside View also to conclude within quarter 4.
- Ad hoc Major Repairs / Improvements – As recorded over the course of the year, this was over budget however balanced over other projects to ensure spend was within overall year end budget.
- Contingency contract of new bathrooms was progressing well with positive feedback. On target for completion in quarter 4.

All remaining projects would be concluded within quarter 4 to maximise expenditure in line with the budget set.

The ATL also provided members with a summary of the Cyclical Maintenance Programme for 2024/25, highlighting:

- External / Internal Decoration – The contractor had concluded the majority of external decoration works and was progressing with internal works within Waterside View. Works were progressing well however had been slightly delayed by the energy efficiency works. Carpets were to be added to maximise underspend and through feedback.

All remaining projects would be concluded within quarter 4 to maximise expenditure in line with the budget set.

The Chair commented on the quality of the works at Waterside View and the ATL added that the Association had a positive experience with the contractor.

Following a query from the Chair, the ATL advised that he had been in contract with the quantity surveyor and the architect regarding the conservatory at Waterside View and work was progressing on obtaining a building warrant. Tenants would be informed when progress had been made.

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

## **28.25 Chief Executive's Report to Caledonia Management Board Meeting – 28 January 2025**

The Committee noted the report.

## **29.25 Any Other Competent Business**



There was no other business to discuss.

**Date & Time of Next Meeting**

**Audit & Risk Management Committee Meeting – 11 March @ 6pm**  
**Strategy Session – April (Date TBC)**

The meeting concluded at 20:00hrs.

Signed (Chair): -----

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