

**CALVAY HOUSING ASSOCIATION MINUTES OF 2023/2024
MANAGEMENT COMMITTEE: 21 MARCH 2024**

1 SEDERUNT

Present:	Jim Gourlay	-	Chair
	Steven Blomer	-	Vice Chair
	Bryce Wilson	-	Secretary
	Jim Munro	-	Committee Member
	Peter Howden	-	Committee Member
	Geri Mogan	-	Committee Member
	Gordon Laurie	-	Appointed Member
	Lawrie West	-	Appointed Member
	Helen Forsyth	-	Appointed Member
	Lauren Austin	-	Co-opted Member(via Zoom)

Apologies:	Emma Connelly	-	Co-opted Member
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Post meeting note: Emma's apologies not declared at meeting however, were noted on Decision Time prior to meeting.

In Attendance:	Nick Dangerfield	-	Director
	Derek Baker	-	Operations Manager
	Gail Borland	-	Senior Housing Officer (Items 1 - 11 only)
	Melissa Craig	-	Housing Officer
	Fettes McDonald	-	Finance Consultant, FMD (Items 1 – 10 only)
	Angela Spence	-	Consultant, Indigo House

2 DECLARATIONS OF INTEREST

Jim Munro and Geri Mogan both declared an interest in Item 16.

3 MATTERS ARISING FROM PREVIOUS MEETINGS

Minutes 14th February 2024

The Director advised that the minutes from the meeting held on 14th February 2024 will be presented at April's meeting.

Written Resolutions for meeting on 22nd February 2024

A written report by the Director was circulated to Committee prior to the meeting and noted. Due to the sudden death of a long serving Committee member on the day of the Management Committee meeting scheduled for 22nd February 2024, it was agreed by the remaining Committee attendees to cancel the meeting as a mark of respect and to take forward Committee business by way of written resolution.

Each member of the Management Committee who was present on 22nd February 2024 was issued with a written resolution on 23rd February via Docusign. Committee members were asked to go through the papers and approve or note each agenda item. The report presented at this meeting showed that all agenda items were approved.

Committee were satisfied with the process of written resolution and approved this report unanimously as a record of decisions made for the

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22 February 2024 Management Committee meeting.

4 GOVERNANCE REVIEW ACTION PLAN – WRITTEN REPORT BY CONSULTANT, INDIGO HOUSE – APPROVED.

A written report by Angela Spence, Consultant from Indigo House, was circulated to Committee prior to the meeting and noted. The consultant advised that this is the latest progress report on the Governance Review Action Plan. Committee members were asked to note that by the end of March it is hoped that only one item is outstanding (No.35) and that this was good progress. Committee were also advised that there were items on this report that should be discussed and finalised at this meeting later on the agenda.

The consultant highlighted some issues on the February report that required some follow up.

- **Action 48;** A date needs to be agreed for appraisal review meeting with The Chair and Director following the previous review meeting in December. The Consultant asked that this be arranged post meeting and inform her of the date.
- **Action 49:** Following a meeting regarding the Director's grade/salary in November a confidential minute was to be forwarded to The Consultant that has not been received yet. The Committee member responsible for the minute noted their apologies and advised that this will be sent as soon as possible.
- **Action 19:** The Consultant advised that a paper will be prepared for April's meeting in relation to digital engagement to promote and increase interaction with customers to increase responses.
- **Action 22:** Date for first staffing subcommittee needs arranged as soon as possible. After some discussion regarding availability the 16th May was agreed as the date for the first meeting.

**** post meeting note –** There is already a Management Committee meeting scheduled on 16th May therefore Corporate Services Manager will email members with alternative date.**

The Consultant was extremely pleased with progress so far on the action plan and commended everyone involved for their hard work. Given that the Governance Action Plan is largely complete and actions will be verified by the April Management Committee meeting, a final closure report will be prepared for this meeting. There were no further questions on the report and Committee duly approved it.

5 BUSINESS PLANNING PROCESS - WRITTEN REPORT BY CONSULTANT, INDIGO HOUSE - APPROVED

A written report by Angela Spence, Consultant from Indigo House, was circulated to Committee prior to the meeting and noted. The report set out a three-year business planning process which the Association will adopt from April 2024 pending approval.

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The Consultant went over the report explaining the sequence of events which should be undertaken over a three-year cycle to enable a comprehensive refresh of the business plan at year one (assumed as 2023/24) and then reviews at years 2 and 3 assumed as 2024/25 and 2025/26 respectively.

As the report mentioned the Association's current non-compliance it was questioned as to whether the Director had received a response from the Regulator about the updated engagement plan. The Director confirmed he had received a draft plan, however the SHR had asked for the draft to remain confidential. He also advised that this has been sent to him only to check for factual accuracy.

The report prompted some discussion regarding the next business-planning day and it was requested that this is scheduled for early November and on a Saturday again. It was also noted the the previous venue was in an ideal location and that most Committee were happy to return to this venue.

The report was approved by the Committee.

6 FINAL BUSINESS PLAN 2024-2027 – WRITTEN REPORT BY DIRECTOR

A final version of the Business Plan 2024 – 2027 was circulated to Committee prior to the meeting and noted.

The following point was noted:

- Section 8.2 now includes information regarding financing the EWI project as requested at the meeting in January.

The Financial Consultant took Committee through the financial projections contained within the Business Plan starting with the current financial position of the Association. Finance Consultant advised that the Association is in a comfortable financial position with nothing too concerning showing. He advised Committee that there are some risks that may come into play in the years ahead such as the EESH2 impact, increased repair costs and increased interest rates, however these are concerns not faced by Calvay alone and will affect all other Associations too and are inevitable.

The Association is awaiting the outcome of grant funding to cover EWI costs. A decision is expected in early April.

The Finance Consultant then gave a brief overview of the 30-year financial projections for the Association including loan debt and cash balances over the period. Based on reasonable assumptions the Association's financial projections show an ability to generate annual surpluses and confirm adequate liquidity to allow implementation of the financial plans. No issues arise in respect of loan covenant compliance.

There were no further comments or questions regarding the business plan. It was unanimously approved by Committee and can now be made available on the website.

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7 PERFORMANCE MANAGEMENT FRAMEWORK AND KEY PERFORMANCE INDICATORS REVIEW (KPI'S) – WRITTEN REPORT BY CONSULTANT, INDIGO HOUSE - APPROVED

A written report by Angela Spence, Consultant from Indigo House, was circulated to Committee prior to the meeting and noted. The report set out a revised quarterly performance management framework and new suite of key performance indicators and targets to be reported on from 1st April 2024.

The Consultant explained that following The Management Committee training event late February a Governance Action Plan analysis shown that further additional performance reports are required by the Committee that aren't currently reported on. The Consultant continued to go through these additional reports.

After some discussion it was agreed that the additional reports in the framework can be reported on every six months except for Equality and Diversity Action Plan, which will be quarterly. It was noted that this would be a trial and can be changed to quarterly if need be.

There was also some discussion surrounding the wording of the new measure within complaints. The new measure reads "satisfaction with outcome of complaints" comments that the wording is a set up for failure as a lot of the time the complainer will remain unhappy. A suggestion was made that the wording of this could be changed to focus more on the satisfaction with the process of the complaint rather than the outcome.

There were no further questions on the report it was duly approved by the Committee.

8 MANAGEMENT COMMITTEE LEARNING AND DEVELOPMENT PLAN – WRITTEN REPORT BY CONSULTANT, INDIGO HOUSE – APPROVED.

A written report by Angela Spence, Consultant from Indigo House, was circulated to Committee prior to the meeting and noted. The report outlines the Management Committee Learning & Development Plan which has been made up of various recommendations from the Indigo House Governance Review, previous governance recommendations and the SHARE facilitated 2023 Committee Appraisal.

The Consultant explained that by approving the plan Committee are also committing to attend monthly training sessions as outlined in the report. This prompted some discussion as some Committee members felt that they already had the skills and knowledge which some of the training sessions are providing. There was also the issue of time commitments with some members expressing that they on occasion have difficulty finding time to attend training and that where possible e learning should be utilised. The Consultant advised that SHARE's e-learning platform could be a valuable resource.

A Committee member also noted that since the learning and development plan started the board composition has changed with members leaving and new members joining therefore not all training is relevant to every member. It

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was also commented that monthly training alongside meetings might also be off putting for new members and daunting for tenant members.

The Management Committee approved the recommendations contained within the report however it was agreed that some Committee members may be exempt from training should they already have appropriate knowledge/experience in the subject.

9 ANNUAL BUDGET 2024-2025 – WRITTEN REPORT BY FINANCE CONSULTANT - APPROVED

A written report by the Finance Consultant was circulated prior to the meeting and noted. The Finance Consultant took Committee through his report and draft budget for 2024/25, noting the salient points.

- Cash balances in March 2025 are now projected at around £3.3m and there are no issues regarding the cash position of the Association during 24/25 based on the assumptions employed.
- The KPI ratios indicate an increase in reactive maintenance costs of 18% compared to the 23/24 budget. Management costs have increased by 15% compared with the 23/24 budget and planned maintenance costs per unit are 88% above the 23/24 budget. As a result of these changes the surplus ratios are lower than prior years.
- The 24/25 budget includes a number of additional costs which would not be expected to be incurred on an annual basis in respect of EWI work, loan arrangements and compliance related costs.
- The final budget highlights a loss for the year of around £370k. This does not take account of the impact of changes in pension scheme actuarial assumptions which will be advised in May 2024 and 2025 and these changes will now feature annually.

The Finance consultant advised that the budget be largely made up of assumptions for the coming year; he then further discussed some of the main assumptions within the budget this year which included;

- EWI grant funding £2.4m
- Salary cost rise assumed at 6%
- CPI inflation at 4.6%
- Component replacement / EWI spend £4.962m

In response to a question regarding one-off costs within the budget, the Finance Consultant explained that there are a few one of costs for 24/25 that he does not expect to be repeated in future budgets. An example of this would be the costs relating to the regulatory intervention. It was also noted that there was a £50K budget in major repairs for fire breaks in roofs however on surveying so far the architects have not found any breaks as yet therefore it is hopeful that budget may be unspent.

There was also some debate following this in relation to the EWI costs and some concerns expressed if the grant funding is not secured.

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High computer costs were also discussed, and The Director confirmed that cyber security is playing a role in these increased costs. He added that the Association is doing more to secure data and prevent data breaches hence the higher costs. It is predicted that in future these costs will remain high due to the increased cyber breach risks.

There were no further questions and the draft Budget was approved by Committee.

10 LOAN AGREEMENT

A written report by TC Young solicitors was circulated to Committee prior to the meeting and noted. This was a brief report in relation to proposed Green Term Loan Agreement and other documentation in respect of the Loans from CAF Bank Limited ("CAF").

The Finance Consultant ran through the report which give the Committee an overview of the key terms on which CAF is prepared to offer funds and is based on the draft Green Term Loan Agreement and Loan Agreement from CAF's solicitors.

The Finance Consultant noted that the terms of the loans which have been provided are generally in line with what has been agreed with other associations in the sector and it will be not inappropriate for the Association to enter into these loans nor did he have any specific concerns to note.

The Committee unanimously approved the loan agreement, with paperwork to be signed post meeting.

11 ALLOCATIONS POLICY – WRITTEN REPORT BY SENIOR HOUSING OFFICER - APPROVED.

A written report by the Senior Housing Officer was circulated to Committee prior to the meeting and noted however Committee were asked to disregard this report and refer to the report that was uploaded onto Decision Time earlier that afternoon. Apologies given to Committee regarding the short notice of this amended report however there was last minute changes that affected the implementation of proposed policy. The Operations Manager gave Committee a summary of recent events which ultimately resulted in the CHR disbanding.

The Senior Housing Officer informed Committee that due to the disbandment of the CHR, the Association had a short time to produce their own allocations policy. The original plan was to make some minor changes to the current CHR policy and use for one year to see how things went, however further discussion with staff resulted in further changes being required, which meant that a full consultation would have to take place due to the wide scope of the proposed changes. Staff have been liaising with TPAS about consulting with tenants.

There was a question in relation to rent in advance, where a Committee member questioned if there is any flexibility to this or if every new tenant needed to pay a full month's rent. The Senior Housing Officer responded that there is discretion to this that had been used previously, for example homeless cases, however all new tenants are asked to pay the first month's rent at sign

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up stage, as stated in the tenancy agreement.

Committee agreed for the proposed allocations policy to be consulted on, with a target implementation date of 1st September 2024. The policy will be brought back to Committee for approval once consultation has been completed.

The Senior Housing Officer left the meeting at this point.

12 DAMPNES, MOULD AND CONDENSATION POLICY – WRITTEN REPORT BY OPERATIONS MANAGER – APPROVED.

A written report by the Operations Manager and draft policy was circulated to Committee prior to the meeting and noted. The Operations Manager informed that the organisation has historically operated without a policy relating to this area of Health and Safety, however it has had a procedure for managing damp since March 2023. The Operations Manager advised that this policy was developed in line with best practice in the sector and with input from Health and Safety Advisors and The Social Housing Safety Network Scotland who support the Association in matters relating to Landlord Health and Safety.

In response to a question on Decision Time relating to section 6.1 “The Association will inspect all repair requests reported in relation to damp in a prompt manner”, it was agreed that the Operations Manager should implement timescales into the policy as currently it was too vague.

There was also discussion surrounding section 5.3 and the use of the word “leaseholder”, it was agreed that this wording should be changed. It was also raised that this section should be clearer in stating that the Association would not be responsible for surface damp/mould in properties leased to other organisations.

Subject to the above amendments, the policy was unanimously approved.

13 FIRE SAFETY IN HOUSING STOCK AND COMMON AREAS POLICY – WRITTEN REPORT BY OPERATIONS MANAGER – APPROVED.

A written report by the Operations Manager and the draft policy was circulated to Committee prior to the meeting and noted. Again, the Operations Manager advised that currently the Association is operating without a policy relating to this area of Health and Safety.

After a brief overview of the policy, Committee gave approval. It was also advised that the tenant handbook would be updated in relation to fire safety and other areas of health and safety this summer. Committee were also advised further audits of health and safety would be carried out over coming months.

14 EICR PROCUREMENT – WRITTEN REPORT BY OPERATIONS MANAGER – APPROVED

A written report by the Operations Manager was circulated to Committee prior to the meeting and noted. The report informed Committee of the outcome of recent procurement exercise and aims to seek approval to appoint contractors to carry out the Association’s programme of Electrical Installation Condition

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Reports (EICRs).

In the procurement of this particular contract Calvay and Wellhouse collaborated with the help of construction consultants Ewing Somerville Partnerships. The Operations Manager informed that the tender was published on Public Contracts Scotland on 19th January 2024 with a closing date of 19th February 2024 of as a single stage procedure. This contract will be for two years then the Association will have the option to extend on a yearly basis for a further three years (2+1+1+1).

A tender report by Ewing Somerville Partnerships was provided to Committee, which recommends the appointment of WrightKerr All Trades Ltd. In total there were thirteen responses with three being disqualified.

The Committee were satisfied with report and approved the appointment of WrightKerr All Trades Ltd for an initial period of two years with the further option to extend.

15 REACTIVE AND VOIDS FRAMEWORK PROCUREMENT – WRITTEN REPORT BY OPERATIONS MANAGER - APPROVED

A written report by the Operations Manager was circulated to Committee prior to the meeting and noted. The report informed Committee of the outcome of recent procurement exercise for reactive repairs and voids.

Due to the volume, value, and the regularity of the spend the Association has collaborated again with Wellhouse HA in the procurement of this particular contract with the help of construction consultants Ewing Somerville Partnerships. The tender was published on Public Contracts Scotland on 27th November 2023 as a two-stage process with a final closing date of 27th February 2024. This contract will be for three years then the Association will have the option to extend on a yearly basis for a further two years. (2+1+1). Ewing Somerville Partnerships have provided a tender report which was circulated to Committee alongside the Operation Manager's report.

As there was concern of the risk linked to being tied to a single multi trade contractor the approach was taken to tender for individual lots broke down as follows; Joinery, Plumbing, Electrical, Out of Hours and Void Repairs. An individual contractor could only bid for a maximum of two lots.

The Operations Manager informed that after the tendering process was completed, there were no suitable contractors to appoint to Joinery and Out of Hours. In terms of joinery the Association will be able to call upon joinery rates from multi-trade contractors who are proposed for appointment to the framework. In relation to out of hours The Association will continue to employ City Building to provide an out of hours service. A further discussion will take place with Ewing Somerville Partnerships and Wellhouse HA about re-tendering for these contractors in the coming months.

In response to a concern raised over WrightKerr being appointed for this procurement and also the EICR contract, the Operations Manager assured Committee that for the reactive repairs and void contracts the work would be split between all successful contractors.

Committee approved the appointment of contractors detailed below to Calvay HA Reactive and Voids Framework for the initial period of 4th April 2024 until 31st March 2027 with the further option to extend for up to two years.

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Lot	Approved Contractors
Plumbing Works	<ul style="list-style-type: none"> • Scotia Plumbing and Heating • CRD Property Renovations and Reinstatements Ltd • BW Heating & Plumbing • John Fulton
Electrical Works	<ul style="list-style-type: none"> • WrightKerr All Trades Ltd • TR Aitchison Electricians • BR Electrical Maintenance • Magnus Electrical Services
Void Repair Works	<ul style="list-style-type: none"> • WrightKerr All Trades Ltd • CRD Property Renovations and Reinstatements Ltd • Clyde Contracts & Supplies Ltd • John Fulton (Plumbers) Ltd

16 EVH EMPLOYERS BALLOT 2024-25 – REPORT BY EVH - APPROVED

A report by EVH was circulated to Committee prior to the meeting and noted. Calvay HA is a full member of EVH and as such, EVH negotiates pay collectively for us and all other full members. EVH have written to Calvay about a pay proposal they wish committees to vote on; an increase of 6% on all salary points, this increase will also be applied to allowances.

Committee agreed that Calvay supported the 6% proposal.

17 RENDER UPDATE – WRITTEN REPORT BY OPERATIONS MANAGER – NOTED.

A written report by the Operations Manager was circulated to Committee prior to the meeting and noted. The Operations Manager ran through the report noting updated information under point 9. It was noted that a Social Housing Net Zero Heat Fund (SHNZHF) application was submitted by The Director to Scottish Government on 14/2/24. Expected response time is week commencing 1st April 2024.

Brown + Wallace have been appointed to support the Association with Project Management role. An initial meeting has taken place on 7/3/24 with Calvay HA, B + W and Procast to start to prepare for mobilisation of the project however this is all pending grant funding.

A further paper will be brought to April’s meeting.

18 NOTIFIABLE EVENT TO THE REGULATOR – IDEAL BOILERS – WRITTEN REPORT BY DIRECTOR – NOTED

A written report by the Director was circulated to Committee prior to the meeting and noted. The Director informed Committee about a Notifiable Event relating to Ideal Boilers and a manufacturing fault. The Association have confirmed that we have 46 boilers of the affected type installed.

Ideal’s advice for immediate action is to check that the boiler pressure is at 1.5 bar and to top-up the pressure if it is lower than this. The Association has commissioned a plumbing contractor to visit each property with an affected boiler, which is currently underway, so far no pressure issues identified.

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Committee noted the report and noted that notifiable event 30842 was recorded with the SHR on 4^h March 2024.

ITEMS 19 – 21

Due to time constraints of the meeting, the above items were not discussed in any detail.

22 AOCB

There was no AOCB

23 DATE OF NEXT COMMITTEE MEETING – THURSDAY 18 APRIL 2024

APPROVED _____

DATE _____