



CUNNINGHAME  
HOUSING ASSOCIATION

*More than just a landlord*

# Board of Management Minutes

**Date of Meeting: 28<sup>th</sup> March 2024**

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



# Cunninghame Housing Association Ltd

## Board of Management Meeting (Special)

Thursday 28<sup>th</sup> March 2024 at 12:00 pm, Quayside Offices, Marina Quay, Dock Road, Ardrossan, KA22 8DA

Present	In Attendance
Janet Strang (Chair) Brenda Johnstone Drew Hall Elizabeth Shedden John Nisbet June Fenelon (MS Teams) Margaret Davison Cllr Eleanor Collier	Linda Anderson, Acting CEO Fettes McDonald, FMD Financial Consultant Elaine Nimmo, Minute Secretary

Item		Action
1.	<b>Apologies</b> Apologies were received from Frank Sweeney, Brian McCabe, John Kelly, Liam Loudon, Willie Gibson and Cllr Stephen Canning (EAC).	
2.	<b>Chairperson's Remarks</b> <b>1</b> The Chair welcomed everyone to the meeting and asked all members to ensure that their mobile phones are switched off or on silent. <b>2</b> As there were confidential items on agenda the Chair read out the following confidentiality statement:  In compliance with the Regulatory Code of Governance and Board Members' Code of Conduct all items detailed in this notice as being confidential should not be discussed with any external party either prior to or after said meeting by any Member of the Board of Management.  <b>3 AOCB Items</b> – The Acting CEO advised she had one item to raise.	
3.	<b>Declaration of Interest</b> None.	

4.	<b>Items Requiring a Decision</b>	
4.1	<b>Budget 2024/25 Final (CONFIDENTIAL)</b> <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i>  The Financial Consultant referred members to the previously circulated budget for 2024/25. The report provided a detailed breakdown of the main	

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4.	Items Requiring a Decision	
4.1	<p>financial assumptions within the annual budget for 2024/25 and the expected outturns arising from these assumptions.</p> <p>Members noted the starting point for the 2024/25 budget is the expected position at March 2024.</p> <p>The Financial Consultant explained that the final budget for 2024/25 indicates a surplus for the year which is higher than the draft budget. Members discussed the changes which included lower net interest costs, reductions in turnover and higher operating costs and high repair costs.</p> <p>Board members noted the main assumptions presented in the report.</p> <p>The Board noted there are no issues based on the projected figures with regard to the loan covenant compliance. As previously advised the Association is still waiting on Canada Life confirming they will amend the interest cover covenant. During the course of the meeting the Financial Consultant confirmed he has just received an email confirming that Canada Life are happy to amend the covenant.</p> <p>The Financial Consultant highlighted ongoing matters during 2024/25 shall move forwards and become clearer, these matters include:</p> <ul style="list-style-type: none"><li>• Senior staff arrangements</li><li>• Finance and Corporate team staffing arrangements</li><li>• IT review plans</li><li>• Continued review of overheads</li><li>• Assessment of Enterprise Centres</li></ul> <p>The Board welcomed the reduction in overheads from 8.5% to 7.18% and acknowledged the efforts being made to reduce costs and ensure value for money is being obtained.</p> <p>The Financial Consultant confirmed as previously discussed with the Board, senior staff will further review the increased repair costs given the potential long-term implications.</p>	

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4.	Items Requiring a Decision	
4.1	<p>Members discussed and questioned areas contained in the budget spreadsheet and asked for clarification on specific items.</p> <p>Other Operating Costs, Tenant Participation – the budget has reduced and given the high importance placed on tenant participation members queried if the reduction to this budget was too much. The Acting CEO advised that staff have review the budget inline with actual spend during 2023/24. It was also noted that the tenant satisfaction survey is not carried out annually therefore not included in 2024/25 budget.</p> <p>Other Operating Costs, Tenant Participation – members queried monies allocated to Mgt/Main Administration and Factoring and would like clarification on the breakdown with regard to factoring.</p> <p>Committee Training – the budget remains the same as previous year however members noted that costs to attend conference etc have risen therefore queried if this figure is achievable. It was also noted that the budget for committee training in 2023/24 has an overspend. Members discussed and noted the number of delegates attending conference may require to be reviewed. It was agreed that attending conferences is extremely worthwhile for members, however acknowledged best value requires to be achieved. The Chair advised attendance at conferences should be considered on a conference by conference basis. Members agreed the budget will require to be monitored closely.</p> <p><b>The Board noted and accepted the final budget for 2024/25 as presented.</b></p>	<p><b>Acting CEO</b></p> <p><b>All</b></p>
4.2	<p><b>Loan Agreement New Build Funding (CONFIDENTIAL)</b> <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Financial Consultant referred members to the previously circulated report and appendices.</p> <p><b><i>Information which is commercially sensitive has been withheld because disclosure would harm commercial interests.</i></b></p>	

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<b>4.</b>	<b>Items Requiring a Decision</b>	
<b>4.2</b>	<p><b>Restated and Amended Loan Facilities from The Royal Bank of Scotland plc (the “Bank”)</b></p> <ol style="list-style-type: none"><li>1. It was reported that the meeting of the Board of Management of the Association had been duly convened and that a quorum was present.</li><li>2. The Chair advised the meeting that the Association’s solicitors had been adjusting with the solicitors representing the Association’s funders, The Royal Bank of Scotland plc (the “Bank”), the terms of an amendment and restatement agreement to be entered into between the Association, the Bank (in its capacities as agent, arranger, lender and internal security trustee), M&amp;G Trustee Company Limited (the "External Security Trustee") and NatWest Markets Plc (the "Hedging Counterparty") (the “Amendment and Restatement Agreement”), which amends and restates the Association's existing facilities with the Bank to include the provision of loan finance.</li><li>3. The Chair advised that agreement had been reached between the Association and the Bank and purpose of the meeting was to consider the terms of the Amendment and Restatement Agreement and all related documentation and, if thought fit, approve and authorise the execution, delivery and performance of the latest drafts.</li><li>4. It was reported to the meeting that in accepting and signing or authenticating the Documents and in borrowing the Total Commitments (as defined in the Restated Facilities Agreement) in full, the Association would not breach its rules or any existing contractual or statutory obligations and that the Association is fully empowered to enter into the Amendment and Restatement Agreement and to perform its obligations thereunder.</li><li>5. It was resolved as follows:-<ol style="list-style-type: none"><li>a. that the Association enter into the Documents;</li><li>b. that the Association delegate authority to any one of Janet Strang or Linda Anderson (each being an “Authorised Signatory”), to negotiate, finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents and any other document which he/she considers necessary or desirable in connection with the Documents.</li><li>c. that any one Authorised Signatory be and is hereby authorised to execute or authenticate the Documents on behalf of the Association and to execute or authenticate any other document</li></ol></li></ol>	

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4.	Items Requiring a Decision	
4.2	<p>which he/she considers necessary or desirable in connection with the Documents on behalf of the Association.</p> <p>d. that any one Authorised Signatory be and is hereby authorised to sign and/or authenticate and/or despatch all documents, certificates and notices to be signed and/or authenticate and/or despatched by the Association under, or any other document which he/she considers necessary or desirable in connection with, the Documents.</p> <p>e. that the execution or signing or authentication of any of the Documents or any other documents referred to in this paragraph 5 may be by electronic means including, without limitation, by DocuSign.</p> <p><b>CERTIFIED A TRUE EXTRACT</b> of the Resolutions of the Board of Management of Cunninghame Housing Association Limited, none of which have been rescinded, revoked, varied or amended in any way.</p> <p>.....Authentication/Signature                      28/03/2024    Date JANET STRANG    Name (in block capitals) CHAIR                      Designation</p>	
4.3	<p><b>Victoria House (CONFIDENTIAL)</b> <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Acting CEO referred members to the previously circulated report and advised approval is being sought to proceed with the disposal of this asset, and to submit a Notifiable Event to the Scottish Housing Regulator after the sale has been completed.</p> <p>The Acting CEO provided an update on the current situation with regard to the potential purchase. The Board noted the terms and purchase price and confirmed any renegotiation of price will be discussed with the office bearers prior to proceeding further.</p> <p>Members noted that subject to approval and conclusion of the sale a Notifiable Event will be logged with the Scottish Housing Regulator.</p>	

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4.	Items Requiring a Decision	
4.3	<p>Members queried if a further survey has been carried out to the property following the recent damage. The Acting CEO advised no further survey has been carried out by the purchaser and confirmed the damaged sustained was minimal.</p> <p><b>After discussion the Board of Management agreed the following:</b></p> <ol style="list-style-type: none"> <li><b>1) Sale approval of Victoria House, Irvine on basis of current terms.</b></li> <li><b>2) Any renegotiation of price will be discussed with the Office Bearers before proceeding any further, with advice also being sought from FMD.</b></li> <li><b>3) Following completion of the sale, a Notifiable Event will be submitted to the Scottish Housing Regulator to record the disposal of this asset.</b></li> </ol>	<p>Acting CEO</p> <p>Acting CEO</p>
4.4	<p><b>Policy Reviews</b></p> <p>The Acting CEO referred members to the previously circulated policy documents which have been reviewed in accordance with the timescales in departmental workplans and the policy review schedule. Given the number of policies presented the documents were issued on 11<sup>th</sup> March 2024 via MS Teams to provide members with adequate time to read the documents.</p> <p>Members noted that the review section at the end of the policy documents are not consistent, some document say approved by “approved by .....Sub Committee and some say Board of Management”. After discussion it was agreed the document will be refreshed and corrected to ensure consistency going forward.</p> <p>The Acting CEO referred members to the previously circulated Standing Orders for Board of Management &amp; Sub Committees policy and advised that the policy has been reviewed and combined into one document for ease of reference. The Standing Orders have been reviewed in conjunction with the SFHA Good Governance guidance document “Points to consider when drafting standing orders” by Linda Ewart (December 2023). The document has been enhanced to reflect best practice and to ensure the Association is both accountable and compliant, with clear, strong systems to support effective governance and the smooth conduct</p>	<p>Acting CEO</p>

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4.	Items Requiring a Decision	
4.4	<p>of business. Amendments are highlighted throughout the document for ease of reference. As previously advised legal advice received from Harper Macleod with regard to voting has also been absorbed into the document.</p> <p>A Board member questioned if a place will be reserved for a Dumfries &amp; Galloway Council Board Member. The Acting CEO confirmed that it is not the intention to consider currently however the Association is mindful this may be a consideration in the future. It was noted any such change would require a change to the Association's Rulebook therefore a Special General Meeting would require to be convened.</p> <p><b>Subject to minimal amendments as discussed the Board of Management ratified the undernoted policy documents:</b></p> <ul style="list-style-type: none"><li>• <b>Gas Safety and Maintenance Policy</b></li><li>• <b>Income Management &amp; Debt Recovery Policy</b></li><li>• <b>Neighbour Disputes and Anti Social Behaviour Policy</b></li><li>• <b>Electrical Safety Policy</b></li><li>• <b>Reactive Repairs Policy</b></li><li>• <b>Settlement Policy</b></li><li>• <b>Recruitment Policy</b></li><li>• <b>Protective Clothing, Safety Equipment &amp; Staff Uniform</b></li><li>• <b>Sabbaticals Policy</b></li><li>• <b>Employing Members of the United Kingdom's Reserve Forces Policy</b></li><li>• <b>Data Protection Policy</b></li><li>• <b>Freedom of Information Policy</b></li><li>• <b>Staff Expenses</b></li><li>• <b>Standing Orders for Board of Management &amp; Sub Committees</b></li></ul>	



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<b>5.</b>	<b>Any Other Business</b>	
<b>5.1</b>	<b>Internal Auditor Tender</b> <p>The Acting CEO advised members the Chair and the Chair of Audit &amp; Risk Sub Committee attended a meeting on 26<sup>th</sup> March 2024 with the Acting CEO and Harper Macleod to review and score the tender returns for an internal auditor.</p> <p>Four tenders were received via the procurement process and following a quality and price review Wylie &amp; Bisset scored the best. Members noted that the Wylie &amp; Bisset submission was excellent.</p> <p>As detailed in the Scheme of Delegation the Audit &amp; Risk Sub Committee would normally approve the tender appointment however given the next meeting is not until 30<sup>th</sup> May 2024 it is being presented to the Board of Management for approval today and thereafter a full report on the findings will be presented to Audit &amp; Risk on 30<sup>th</sup> May.</p> <p><b>After discussion the Board of Management agreed to appoint Wylie &amp; Bisset as internal auditors on the terms received.</b></p>	<b>Acting CEO</b>
<b>6.</b>	<b>Date of Next Meeting – 9<sup>th</sup> May 2024</b>	

The meeting closed at 1.00 pm.