

**Meeting of the Board of Management to be held at 6pm
on Tuesday 16 March 2021 at 423 London Road, Glasgow, G40 1AG**

AGENDA

	Lead Person	Decision or information
1. Apologies	Derek Quinn	
2. Declaration of Interests	Derek Quinn	For information
3. Minute of meeting held on 9 February 2021	Derek Quinn	For approval
4. Matters arising from meeting of 9 February 2021	Derek Quinn	For decision
5. Quarterly performance		
5.1 Quarterly performance report	Charles Turner	For approval
5.2 Management Accounts	John Russell	
5.3 Loan Portfolio report	John Russell	
6. Scottish Public Services Ombudsman update	Lynne McKenzie	For approval
7. Review of housing bad debts	Gary Naylor	For approval
8. Report on Impact of Universal Credit	Gary Naylor	For approval
9. Annual Review of Insurance Cover	John Russell	For approval
10. Treasury Management Strategy for 2021/22	John Russell	For approval
11. Board Recruitment & Nomination Committee	Charles Turner	For decision
12. Cyclical Painting tender report	Eleanor Derbyshire	For decision
13. Chief Executive's report	Charles Turner	For decisions
14. Subsidiary Companies and other Minutes:	Charles Turner	For information
14.1 Thenue Communities, 22 February 2021#		# = draft minute
15. Any other competent business	Derek Quinn	
16. Résumé of meeting	Derek Quinn	
17. Date of next meeting Tuesday 20 April 2021		To note

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 16 March 2021 at 6.00pm
remotely on Microsoft Teams**

Present: Maureen Dowden (Vice Chair), Pauline Casey, Robert Kelly, David Keltie-Armstrong, Howard Mole and Owen Stewart

Attending: Charles Turner, John Russell, Eleanor Derbyshire, Gary Naylor, Lynne McKenzie-Juetten and Ray Macleod

Maureen Dowden welcomed members to the meeting and advised she had been asked to Chair the meeting in the absence of Derek Quinn.

1. APOLOGIES

Apologies were received from Liz Williamson, Derek Quinn and Abdifatah Hayde.

NOTED

2. DECLARATIONS OF INTERESTS

Declarations of interests were noted for staff members in Agenda Item 13, Point 6 on Staff Pay Negotiations.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON TUESDAY 9 FEBRUARY 2021

The minute of the previous meeting held on Tuesday 9 February 2021 was approved as a correct and accurate record of the proceedings. The minute was proposed by Pauline Casey and seconded by Owen Stewart.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON TUESDAY 9 FEBRUARY 2021

There were no matters arising.

NOTED

5. QUARTERLY PERFORMANCE REPORT

5.1 Quarterly Performance Report

Charles Turner commented that the performance was very similar to 3 months ago as the general underlying issues related to the impact of the COVID19 pandemic which meant that areas are not performing as well as they normally would, highlighting:

- Completion delays in voids work.
- Backlog in reactive repairs with a few hundred to be actioned.
- Factoring charges invoices being issued later than normal.
- Staff turnover higher than anticipated.

- High value of write-offs, the details of which were explained later in the meeting for approval.
- Smoke detection programme taking longer than expected but progressing.
- Gas safety checks delayed.
- Slippage in the cyclical and major repairs works which will roll into the next financial year.
- Tenancy sustainment targets affected with an unusually high number of deaths.
- Two staff accidents.

However, Charlie highlighted the following performances that were better than expected:

- Community Regeneration receiving extra money to support our residents through the pandemic.
- Net surplus higher than budget due to savings.
- Financial covenants are satisfactory.
- Customer satisfaction with repairs continues to be high.
- New home customer satisfaction also remained high.
- Although the Homelessness target had changed through year it was well within the original target.
- Good staff attendance.
- Board attendance had improved.

Charles Turner invited Board members to ask questions and/or make comment. The following had been noted:

- Clarification had been sought on gas safety checks with Charles Turner confirming there were only two safety inspections not completed.

The Board of Management approved the contents of the quarterly performance report.

DECIDED

5.2 Management Accounts

John Russell overviewed the Management Accounts for the period ending 31 December 2020 which recorded the impact of the COVID19 pandemic. John highlighted the budgeted surplus had been higher than anticipated with repairs costs reduced due to lockdown restrictions to emergencies only, the office temporarily closed, low interest rates and the sale of a supported project property. He anticipated that at March 2021 there will be a carry forward of underspend in major and cyclical repair budgets as agreed previously by the Board into the next financial year. He confirmed lenders covenants were satisfactory.

John Russell invited Board members to ask questions and/or make comment. The following had been noted:

- In relation to the re-active repairs, John Russell clarified that the projected outturn position for 2020/21 had been prepared based on emergency only repairs during the first lockdown as the second period of lockdown at that time hadn't been anticipated. Therefore, since January 2021 there had been another period of emergency only repairs.

- Board members gave praise for an easy to read and understand report.

The Board of Management approved the contents of the Management Accounts for the period ending 31 December 2020.

DECIDED

5.3 Loan Portfolio Report

John Russell advised the report had been prepared for the Board members to note the figures and money not drawn down. John also referred to the Treasury Management Strategy which later in the meeting explains in more detail the implications of not drawing down funds. The Board of Management noted the report.

NOTED

6. SCOTTISH PUBLIC SERVICES OMBUDSMAN UPDATE

Lynne McKenzie-Juetten gave a brief overview of the report, commented that the Scottish Public Services Ombudsman (SPSO) Model Complaints Handling Procedure (MCHP) was a large document and there had not been any major changes however it had been good to refresh skills. Lynne confirmed there will be an article on the topic in the next Newsletter and all staff have received mandatory training.

Lynne McKenzie-Juetten invited Board members to ask questions and/or make comments. The following had been noted:

- With regards to the first point of contact what process is in place to respond to complaints through social media e.g. Facebook, Twitter etc. Lynne McKenzie-Juetten advised social media was monitored and personal contact made with the customer. Where there was a wider issue an appropriate statement or response is published.
- Reporting complaints performance to the Board of Management, the quarterly report only provides statistics and a little information, is there an improved process? Charles Turner intimated complaints are measured against our values with clear differences between the functions of the Scottish Housing Regulator and the Scottish Public Services Ombudsman. The quarterly performance report gives the volume of complaints with a brief explanation indicating any trends. Annually a detailed end of year report will be presented to the Board at the May meeting.
- Board members welcomed that responses are measured and based upon our values.

The Board of Management approved the implementation of the new Scottish Public Services Ombudsman (SPSO) Model Complaints Handling Procedure (MCHP) and noted their responsibilities regarding complaints.

DECIDED

7. REVIEW OF HOUSING BAD DEBTS

Gary Naylor explained the process and decision to write off the bad debts detailed in the report for tenant rent and recharges, owner occupier and commercial debts. Gary confirmed all possible avenues to recover the debts had been explored. With reference to

current owners who had become bankrupt, legal advice had been sought from our solicitors with payment made on any future sale of their property, however, the debt is written off at moment.

Gary Naylor invited Board members to ask questions and/or make comment. The following had been noted:

- Concern had been noted that the amount to be written off averaged £500 month for each debtor, however, when compared to the last write-off there was not much of a difference, therefore, there is a degree of re-assurance. Gary Naylor advised the Income Maximisation Team keeps in close contact with customers in debt.
- In relation to bankrupt owners had inhibition orders been put in place and what mechanisms were there for insolvency sequestration rising? Gary Naylor confirmed inhibition orders were in place with full expectation of recovering debts on sale of the property and processes are in place to keep in control.

The Board of Management approved the write-off of the debts detailed in the report to a total value of £33,103.02.

DECIDED

8. REPORT ON THE IMPACT OF UNIVERSAL CREDIT

Gary Naylor advised this report gave an overview of where we are with the impact of the Universal Credit System, the delays in the new system role out and the longer timescales for claims. Gary reassured the Board the current turn around for claims is good in comparison to the first lockdown during the COVID19 pandemic. We have been inundated with tenants contacting us and the Income Maximisation Team has stepped up and gone over and above their duties with increased volume in telephone calls. The Team have helped tenants with claims especially as UC has an online Journal system and has required a variety of methods to connect.

Additional resources had been budgeted for, however, it has been pleasing to have managed to do without. In context the volume of tenants claiming UC is now over 200 more in comparison to last year. The report contained a summary on how the Team is coping at the moment and this will be carefully monitored as we come out of lockdown and tenant's circumstances will change.

Gary Naylor invited Board members to ask questions and/or make comments. The following had been noted:

- With reference to overall arrears and UC arrears, is timing of processing or when applying an issue? Gary Naylor intimated it can take up to 5 weeks for payment to be made therefore it can be a combination of times and applications. However, monitoring continues and at the moment each month is becoming more manageable.

The Board of Management noted the Universal Credit Strategy had helped guide the Income Maximisation Team to achieve excellent performance and maintain steady performance despite COVID19 and remains open about the additional resources that may be required based on workload and income collection.

NOTED

9. ANNUAL REVIEW OF INSURANCE COVER

John Russell gave an overview of the report which required the Board of Management to approve the categories and overall level of insurance cover proposed for the year ahead.

John highlighted:

- Previously there had been no COVID19 restrictions by insurers however this had changed for the year ahead and gave an example of a claim - a member of staff visiting a tenant's property and a tenant's claim alleging they had caught COVID19 from the visiting staff member. This type of claim will not be covered. John advised specific risk assessments and arrangements are in place for staff visiting tenants to mitigate this type of risk.
- The current insurance agreement had started 2 years ago with year 3 being 2021/22. When the contract was originally tendered it included an option to extend for a further 2 years, i.e. up to 31 March 2024. The service received has been good as has our claims experience and loss ratio. The insurance company have offered a revised rate guarantee for the housing stock policy, which would see premium rates held at existing levels provided the loss ratio does not exceed 75%. As the market is hardening it was considered advantageous to extend the current agreement by the additional 2 years to 31 March 2024. The opportunity to extend had therefore been recommended.
- With regards to Page 75 Item 8 Cyber and Crime cover, since issuing the report, the insurer had advised that as the Association does not currently have "multi factor authentication" in place for all email accounts, they would be limiting the cover for social engineering risk to £250,000. This relates to the risk of fraud by "bogus" suppliers. The maximum cover with "multi factor authentication" in place would be £1 million. An additional premium of £9070 has been quoted for the higher level of cover however this was considered expensive and requires additional dialogue with the insurance company. The Head of Finance would report back to the next meeting on this item.

John Russell invited Board members to ask questions and/or make comment. The following had been noted:

- Board members appreciated the detailed and complex insurance report particularly the explanation for cyber-crime cover and welcomed taking time for further dialogue with the insurance company on this issue. John Russell advised that due to the COVID19 pandemic there had been increased risk with IT systems being hacked and internet/online fraud.
- On Page 75 new build contracts indemnity, Board members requested clarity. John Russell confirmed that the insurance cover in place was on a contingent basis which would only switch to full cover where a new build contractors policy failed for example or where the contractor goes into liquidation and their policy lapses. In this situation and where there is a claim e.g. in the case of a fire onsite, then the costs would be covered under our policy.
- Other businesses and sectors are experiencing similar insurance changes and a hardening of risk appetite.

The Board of Management approved the level and scope of insurance cover for the Thenu Group for 2021/22 with the exception of additional levels of cover for specific Cyber Crime cover to be further discussed with the insurance company. The Board of Management approved the extension to the current insurance contract for a further 2 year period up to 31 March 2024.

DECIDED**10. TREASURY MANAGEMENT STRATEGY FOR 2021/22**

John Russell intimated the Treasury Management Strategy is presented for annual review and pleased the last one held good for more than a year under the current COVID19 pandemic situation. Our treasury advisors had reviewed the strategy and the front page summarised the main recommendations which John commented .

John Russell invited Board members to ask questions and/or make comments. The following had been noted:

- What would the impact of negative interest rates be on deposits and lenders covenants? John Russell acknowledged negative interest rates is a possibility and was an area to keep under review. John also suggested treasury training for Board members with our advisors with a session based on our own portfolio and loans. The session would be in the evening at 6pm with a 45 minute/1hour presentation followed by questions.
- On Page 86, 3rd last bullet point, a correction had been identified - RBS should be Nationwide.
- Will there be a charge to change or adjust the RBS facility? John Russell confirmed there would be a charge for legal and administrative fees. Previous adjustment fees had been around £5k however John would come back to the Board with any proposed changes and costs.

The Board of Management approved the Treasury Strategy for 2021/22 and agreed the seven specific recommendations summarised in the report.

DECIDED**11. BOARD RECRUITMENT & NOMINATION COMMITTEE**

Charles Turner explained the Board recruitment process, the need for a nomination committee, agree the remit and requested a pool of four Board members. Charlie, as secretary, advised he would facilitate the process.

Charles Turner invited Board members to ask questions and/or make comment. The following had been noted:

- Was this a one off process to fill the current Board vacancies? Charles Turner confirmed yes this is a one off process as annually in September the Board of Management will need to decide if a recruitment process is needed and what the format might be.

The Board of Management approved the remit and agreed Derek Quinn, Pauline Casey, Maureen Dowden and David Keltie-Armstrong to form the Nomination Committee.

DECIDED

12. CYCLICAL PAINTING TENDER REPORT

Eleanor Derbyshire advised this was a high value five year framework contract and the 1st year of works, and had been procured through the Public Contracts Scotland website. Eleanor gave a brief summary of the report.

Eleanor Derbyshire invited Board members to ask questions and/or make comment. The following had been noted:

- Board members welcomed progress of cyclical contracts during the current restrictions.

The Board of Management approved the appointment of contractors to the Thenue 5 year cyclical painter work framework, agreed to appointment MITIE for the proposed year one works and authorised staff to accept the tender and progress the contract works with Mitie.

DECIDED

13. CHIEF EXECUTIVE'S REPORT

Charles Turner reported there were two decisions required and five items for noting. Charlie highlighted:

- The change of frequency to the Scottish Housing Regulators monthly performance monitoring statistics introduced at the start of the pandemic to quarterly from April 2021. All other Regulator submissions are due as normal.
- The extension of furlough scheme and the 80% percentage Government contribution reducing to 60% with the expectation of employers to contribute more. Charlie advised we had some staff currently on flexible furlough and a decision is required on the cost of topping up to full salary.
- There had been good interest in the property at 7 Bridgeton Cross with offers to lease, which given this being preferable, was the favourable outcome.
- The format for the Risk Appetite session and a questionnaire to be issued to each Board member to assist with tailoring the session. The session will be one Tuesday evening in May, possibly 11 or 18.
- The SHARE annual conference which will be three days of ZOOM activity.

Charles Turner invited Board member to ask question and/or make comment. The following had been noted:

- Board members requested clarity on how many staff were on furlough, their anticipated return to work, the changes to the percentage of the Governments contributions and the anticipated cost? Will furlough be one to one based on individual circumstances or a blanket approach?

Charles Turner confirmed Thenue staff were expected to return shortly, however, Thenue Communities staff may be furloughed longer as they were dependent on the Community Centres being open. Following discussion it was agreed that a report be presented to the Board of Management on the impact and costs to ensure consistency between Thenue and Thenue Communities staff and fairness.

The Board of Management:

- Agreed the risk appetite session to be in May on either 11 or 18.
- Agreed to delay the decision of furlough until April and more information is given.
- Noted the remaining contents of the report.

DECIDED

14. SUBSIDIARY COMPANIES AND OTHER MINUTES

14.1 Thenue Communities 22 February 2021

Maureen Dowden intimated the minute is for information only and any questions to be directed to the relevant Chair or service officer.

NOTED

15. ANY OTHER COMPETENT BUSINESS

15.1 Following the First Ministers announcement lifting restrictions, it is anticipated the backlog to action the reactive repairs will commence from 26 April 2021. The return to office will commence in Tier 1 possibly at the start of June.

NOTED

15.2 The EVH AGM will be held on 19 April 2021 remotely and Owen Stewart will be attending.

NOTED

16. RESUME OF MEETING

Maureen Dowden invited Board members to comment on how well the meeting went. The following had been noted:

- Quality of papers very detailed and superb, pat on the back.
- Thank you to Chair.
- Good meeting and focussed on right points.

NOTED

17. DATE OF NEXT MEETING

The next meeting will be held on Tuesday 20 April 2021 at 6.00pm remotely on Microsoft Teams

NOTED

The meeting concluded at 7:56pm

I certify that the above minute has been approved as a true and accurate record of the proceedings.

Maureen Dowden

Maureen Dowden
Vice Chairperson

Date: 20 April 2021