

**Meeting of the Board of Management to be held at 6pm  
on Tuesday 17<sup>th</sup> August 2021, remotely at via Microsoft Teams**

## AGENDA

	<u>Lead Person</u>	<u>Action</u>
1. <b>Apologies</b>		
2. <b>Declaration of interests</b>	All	For information
3. <b>Minute of meeting held on 22 June 2021</b>	Derek Quinn	For approval
4. <b>Matters arising from the meeting of 22 June 2021</b>	Board Members	For decision
5. <b>Annual accounts for year ending 31 March 2021:</b> Phil Morrice, from Alexander Sloan, Auditors, will be in attendance for this item:	John Russell	For approval
5.1 Annual accounts		
5.2 Consolidated accounts		
5.3 Audit summary report and draft response		
5.4 Auditors letter of representation		
5.5 Performance against lenders financial covenants		
5.6 Re-appointment of auditors		
6. <b>Quarterly performance for three months to 30 June 2021</b>	Charles Turner	For approval
6.1 Quarterly key performance indicator report		
6.2 Management accounts		
6.3 Loan portfolio report		
7. <b>Risk appetite statement: recommendation from Audit &amp; Risk Committee</b>	Charles Turner	For discussion
8. <b>Preparations for Annual General Meetings</b>	Charles Turner	For decision
9. <b>Chief Executive's report</b>	Charles Turner	For decision
10. <b>Subsidiary company and other minutes</b>		For information
10.1 Audit & Risk Sub-Committee, 27 July 2021		
10.2 Thenue Trust, 10 August 2021		
10.3 Thenue Housing Services, 10 August 2021		
11. <b>Any other competent business</b>	Derek Quinn	
12. <b>Résumé of meeting</b>	All	
13. <b>Date of next meeting on Tuesday 28 September 2021</b>		To note

Unless indicated otherwise, supporting papers are attached in respect of all relevant items.

## THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting  
held on Tuesday 17 August 2021 at 6.00pm  
remotely on Microsoft Teams and  
video conferencing at 423 London Road, Glasgow, G40 1AG**

<b>Present:</b>	<b>Onsite:</b>	Derek Quinn (Chairperson), Pauline Casey, Bryan McMahon and Owen Stewart
	<b>Remote:</b>	Linda Chelton, Maureen Dowden, Abdifatah Hayde, Robert Kelly, David Kelti-Armstrong, Howard Mole and Florence O'Hale
<b>Attending:</b>	<b>Onsite:</b>	Charles Turner
	<b>Remote:</b>	John Russell, Gary Naylor, Eleanor Derbyshire, Lynne McKenzie-Juetten, Sharon Craig-McLeary and Ray Macleod

Derek Quinn welcomed Board members to his last meeting as Chairperson and also as a Board member after nine years. He intimated this meeting would trial the new conferencing technology to have meetings held in the Boardroom and remotely with Board members. He reminded Board members of the etiquette of using the on screen raised hand to ask questions or make comment and he would then invite the Board member to speak, the 5 second rule to respond otherwise the meeting will move on and to mute microphones to avoid unwanted background noise or interference.

**1. APOLOGIES**

There were no apologies received.

**NOTED****2. DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**NOTED****3. MINUTE OF THE PREVIOUS MEETING HELD ON 22 JUNE 2021**

The minute of the previous meeting held on 22 June 2021 was approved as a correct and accurate record of the proceedings. The minute was proposed by Pauline Casey and seconded by Bryan McMahon.

**APPROVED****4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 22 JUNE 2021**

There were no matters arising from the previous meeting held on 22 June 2021.

**NOTED**

**5. ANNUAL ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2021****5.1 Annual Accounts for the Year Ending 31 March 2021**

Derek Quinn invited John Russell to present the annual accounts and intimated this would be John's last time before he retires later in the month.

John Russell referred to the presentation that had also been issued with the papers, he overviewed the six main key points intimating that Philip Morrice from the external auditor, Alexander Sloan, would make comments and answer any questions. John highlighted the:

- First page which confirmed a clean and fair view of the audited accounts had been given.
- Statement of Comprehensive Income incorporating the pension adjustment.
- Income received and the impact on voids which had been higher than expected due to delays in letting and maintaining through the COVID-19 pandemic restrictions.
- Operating costs including the impairment charge and delays caused by the COVID-19 pandemic restrictions.
- Statement of financial position incorporating the pension adjustment showing the share of scheme asset liabilities.
- Comparison between the annual accounts and the management accounts.

Philip Morrice commented that the audit outcomes were consistent with what other housing associations were currently experiencing. The accounts had been adjusted to incorporate the new way of reporting pensions and reflected new auditing procedure standards. Philip was pleased to report a clean and fair view. The details of the work carried-out by the auditors complied with all regulations.

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

- Board members recognised John Russell's retirement was an end of an era and thanked him for all his hard work.
- Clarification on the pensions figure and the timescale of this figure. John Russell confirmed the figure was March 2021 and was subject to the volatility of the stock markets which had been fluctuating due to the COVID-19 pandemic. There was no cause for concern with covenants.

The Board of Management approved the Annual Accounts for the year ended 31 March 2021 and their recommendation to the members at the Annual General Meeting on 21 September 2021. Proposed by David Kelti-Armstrong and seconded by Pauline Casey. Board members also noted the arrangements for electronic signatures.

**RECOMMENDATION TO THE ANNUAL GENERAL MEETING**

**5.2 Consolidated Accounts for the Year Ending 31 March 2021**

John Russell advised the Consolidated Accounts for the Thenue Group were also required for the Financial Conduct Authority incorporating the subsidiary companies Thenue Housing Services, The Thenue Trust and Thenue Communities. The subsidiary companies had approved their standalone annual accounts.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments made.

The Board of Management approved the Thenue Group consolidated accounts for the year ended 31 March 2021 and noted the electronic arrangements for signature.

**DECIDED****5.3 Audit Summary Report and Draft Response**

John Russell explained this was a standard letter issued by the Auditor setting out any matter that requires to be brought to the attention of the Board of Management. John was pleased to report there were none.

Philip Morrice expanded on the explanation that it was important for the Board of Management to know there were no audit control weaknesses. Philip highlighted examples of areas: audit opinion; auditor independence; ethics; issues identified and resolved; sound management and Board control; revenue recognition including fraud; volatility of pension scheme and complexity; welfare reform; covenant failure; pandemic impact; impairment following contractor liquidation, etc. Philip Morrice was pleased to confirm there were no issues to raise and thanked John Russell and his Team for their assistance throughout the audit. Philip wished John a happy retirement and thanked him for his hard work over the years.

John Russell thanked Philip Morrice for his kind words.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments made.

The Board of Management noted the contents of this year's Audit Summary Report from the external auditor and approved the letter of response.

**DECIDED****5.4 Auditors Letter of Representation**

John Russell reported this was a standard letter of assurance on a range of relatively routine matters in relation to the accounts.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments made.

The Board of Management approved the letter of representation and noted the arrangement for signing.

**DECIDED**

**5.5 Performance Against Lenders Financial Covenants**

John Russell intimated that the Association satisfied all lenders financial covenants for the year ended 31 March 2021. A letter from the auditor confirming this will be prepared for presenting to lenders.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments made.

The Board of Management noted the contents of the report and satisfaction of lenders financial covenants for the year ended 31 March 2021.

**NOTED****5.6 Re-Appointment of Auditors**

Charles Turner confirmed the Executive Team continued to find Alexander Sloan to be value for money and good service. Charlie also confirmed approval by the subsidiary companies.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments made.

The Board of Management approved the re-appointment the auditors Alexander Sloan and recommended this to the members at the Annual General Meeting on 21 September 2021.

**RECOMMENDATION TO THE ANNUAL GENERAL MEETING**

Philip Morrice was warmly thanked for attending and left the meeting at this point.

**6. QUARTERLY PERFORMANCE FOR THREE MONTHS TO 30 JUNE 2021****6.1 Quarterly Key Performance Indicator Report**

Charles Turner referred to the report which was disappointing in that there were more red items than last time and the notes section gave the reasons. Charlie highlighted issues with:

- Staff changes with our re-active repairs contractor Mears and the backlog of works as a result of the COVID-19 pandemic restrictions. He envisaged this would improve by the end of the next quarter.
- Re-lets due to the high numbers of Section 5 (homeless lets) refusals.
- Wrongful calculation of reporting the start date of a complaint which has now been rectified.

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

- Clarification of the drop in customer satisfaction with repairs and how many numbers this was in comparison to the percentage figures. Gary Nalyor had no numbers available to hand but advised the backlog with coming out of lockdown

with management and staff changes at Mears had contributed to this temporary drop. Mears had indicated they were ensuring experienced trades people were recruited, trained and that they can deliver being right first time. Gary expects an improvement by the end of the next quarter.

- Expressed this was very disappointing the high Section 5 (homeless) refusals despite GCC asking for higher numbers of homeless people to be rehoused and their matching up criteria not a good service. They were also interested in the view of the Scottish Housing Regulator and what is wrong with the properties. Gary Naylor indicated he had not yet met GCC to discuss and progress this issue.
- Reporting of complaints on day one has been a standard for a number of years, therefore, could other instances have occurred. Charles Turner assured the Board it had been a mis-calculation on our automated system and had now been rectified.
- What action is in place to ensure full smoke detection compliance and the longer term electrical compliance requirements. Eleanor Derbyshire confirmed the gas servicing contractor will pick up on smoke detectors still to be replaced and staff too will continue to contact and arrange for those outstanding properties. In the instance where the gas servicing contractor has removed and not immediately replaced a smoke detector tenants must contact us to let us know. Eleanor confirmed there is a 5 year electrical safety programme in place and figures can be reported in the future.
- Information on the current arrears figure jumping up and down was requested. Gary Naylor advised housing benefit payments and length of time with notices affects this. He confirmed other housing associations experience similar fluctuations.

The Board of Management noted the contents of the quarterly performance report for the period ending 30 June 2021.

**NOTED**

## 6.2 Management Accounts

John Russell referred to the accounts and the summary sheet highlighting the already agreed increase in cyclical and major repairs arising from the impact of the COVID-19 pandemic. John also confirmed covenant headroom remained comfortable.

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

- With regards to the catch up of the cyclical and major repairs programme what action might be taken where there is a greater expenditure on material costs or staff shortages. John Russell advised contracts will keep pace with the economy with a review and if needed modification to programmes in December 2021. Major repairs are discretionary allowing delay, however, cyclical must be done.

- What is the timescale for the pension deficit? John Russell confirmed it was expected to be paid off by the end of March 2023.

The Board of Management noted the management accounts for the 3 months to 30 June 2021.

**NOTED**

### **6.3 Loan Portfolio Report**

John Russell intimated the loan portfolio report was for info, reported quarterly and was within the Treasury Management strategy framework.

John Russell invited Board members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management noted the contents of the Loan Portfolio report.

**NOTED**

## **7. RISK APPETITE STATEMENT RECOMMENDATION FROM THE AUDIT AND RISK SUB-COMMITTEE**

Charles Turner referred to the details of the report outlining the 9 potential areas of risk in Section 3 and the Risk Appetite Matrix giving examples of how this can be used. Charlie referred to the Audit and Risk Sub-Committee who had in great detail considered and debated the outcomes for recommendation to the Board of Management with an additional risk on equalities and diversity. He then highlighted the summary sheet which proposed the text for the Risk Appetite Statement for approval by the Board of Management and the action for the next steps.

Charles Turner invited Board members to ask questions and/or make comment. There were no questions or comments.

The Board of Management approved the statement on the summary sheet and the contents of the report.

**DECIDED**

## **8. PREPARATIONS FOR THE ANNUAL GENERAL MEETINGS**

Charles Turner outlined the preparations for the Annual General Meeting highlighting the election and potential composition of the Board of Management for the coming year, with a quorum of 10 people and the proposed venue of the Emirates Arena to accommodate safely members attending. Charlie indicated the Annual Report will be posted directly to members by the printer to avoid double handling and he confirmed as Secretary compliance of the Rules.

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

- Is there an option to attend virtually and how would members be re-imbursed for any incurred expenditure? Charles Turner explained it was unlikely virtual technology was

available and all expenses incurred by Members attending would be paid. All details are to be confirmed and details will be in the AGM pack.

- In relation to the recent Governance refresh, board member recruitment and consideration to lower the Board composition to 12, is the filling of 15 places too many at this stage. Concern was expressed that this meeting was too late to be discussing the issue of election to the Board. Charles Turner explained the purpose of the recent recruitment process was to find people with very specific skills that had been identified and agreed by the Board of Management. Although currently filling vacant spaces the Rules require the people recruited to be nominated and elected at the time of the AGM. Any other active member is also able to be nominated for election. Charlie confirmed the number of places on the Board is 15 as per our Rules. 12 Board places is aspirational and would need a Rule change.

The Board of Management noted the arrangements for the Annual General Meeting and approved the Emirates Arena as the venue.

**DECIDED**

## **9. CHIEF EXECUTIVE'S REPORT**

Charles Turner overviewed the report advising there were three decisions required - to approve three new membership applications, cancel five membership share certificates and accept the tender for kitchen and boiler replacement in 194 properties referring to the discussion earlier in the meeting on increasing costs.

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

- Consideration and debate happened with some Board members disagreeing with approval of the new membership applications at this meeting as any potential nominations could change the composition and balance of the Board of Management. Charles Turner acknowledged there was a risk however the Rules allowed for any member to be nominated, this would not be known until two weeks before the Annual General Meeting and there was no certainty of further nominees.
- Some Board members sought clarity and understanding of the implications in not approving these members. They understood the organisational core principles in being community led and were concerned about the inconsistency, fairness and equality of the change to process. They asked, had memberships ever been deferred? Charles Turner confirmed no memberships had ever been deferred or declined.
- It was commented that Board composition can be looked at again after the Annual General Meeting, address any imbalance going forward.

Derek Quinn at this point proposed Standing Orders were suspended for 10 to 15 minutes to finish the meeting. The Board of Management agreed the suspension of standing orders.

**DECIDED**

Derek Quinn proposed a vote to decide the three new membership applications. Derek asked each member do they approve the three new membership applications? The



outcome of the vote was six approved the three new membership applications with five voting no.

The Board of Management:

- Approved the three new membership applications.
- Approved cancellation of five membership share certificates.
- Approved the tender from CCG for replacing kitchen and boilers in 194 properties.
- Noted resumption of the work at Landressy Place.
- Noted the current plans for re-opening the office.
- Noted the outcome of the recruitment of our new Head of Finance.

**DECIDED**

## **10. SUBSIDIARY COMPANY AND OTHER MINUTES**

### **10.1 Audit and Risk Sub-Committee 27 July 2021**

Derek Quinn intimated the Audit and Risk Sub-Committee minute was for information only and any questions to be directed to the relevant Chair or Officer out with the meeting.

**NOTED**

### **10.2 The Thenue Trust AGM 10 August 2021**

### **10.3 Thenue Housing Services AGM and Directors 10 August 2021**

Derek Quinn advised the next meetings were expected to be next August 2022. Trustees and Directors were invited to approve the minutes, rather than wait twelve months. Although there was general agreement, this could wait until August 2022.

**APPROVED**

## **11. ANY OTHER COMPETENT BUSINESS**

John Russell intimated this was his last meeting before leaving and said his farewell thanking the Board for the generous leaving gift of vouchers for golf equipment. John wished the Board well for the future and welcomed being on the golf course on Monday morning.

Derek Quinn intimated it was his last board meeting and on behalf of the Board thanked John for his colourful presentations and wished him a happy retirement.

**NOTED**

**12. RESUME OF MEETING**

The meeting worked seamlessly with the new technology despite some background interference particularly from the Boardroom.

**NOTED**

**13. DATE OF NEXT MEETING**

The next meeting will be held on Tuesday 28 September 2021 at 6.00pm using a combination of the IT Conferencing and remote technology. This meeting will be the first after the Annual General Meeting.

**NOTED**

The meeting concluded at 8.10pm

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

Derek Quinn  
Chairperson

Date: