

**Meeting of the Board of Management to be held at 6pm
on Tuesday 15th August 2017 at 423 London Road, Glasgow**

AGENDA

- | | | |
|-----|--|------------------------|
| 1. | Apologies | |
| 2. | Declaration of interests | For information |
| 3. | Minute of meeting held on 13 June 2017 | For approval |
| 4. | Matters arising from the meeting of 13 June 2017 | For information |
| 5. | Annual accounts for year ending 31 March 2017:
A representative of Alexander Sloan, Auditors, will be in attendance for this item: | For approval |
| | 5.1 Annual accounts | |
| | 5.2 Consolidated accounts | |
| | 5.3 Auditors management letter and draft response | |
| | 5.4 Auditors letter of representation | |
| | 5.5 Performance against lenders financial covenants | |
| | 5.6 Re-appointment of auditors | |
| 6. | Quarterly performance for three months to 30 June 2017 | For approval |
| | 6.1 Quarterly key performance indicator report | |
| | 6.2 Management accounts | |
| | 6.3 Loan portfolio report | |
| 7. | Subsidiary Company – amendment to constitution | For decision |
| 8. | Development update | For decision |
| 9 | Regulatory engagement | For information |
| 10. | Rent sense proposal | For decision |
| 11. | Subsidiary company minutes | For information |
| | 11.1 Calton Heritage and Learning Centre Board 26 June 2017 | |
| 12. | Chief Executive’s report | For decision |
| 13. | Any other competent business | |
| 14. | Date of next meeting on Tuesday 19 September 2017 | To note |

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting held
on Tuesday 15 August 2017 at 6.00pm
within 423 London Road, Glasgow, G40 1AG**

Present: Owen Stewart (Chairperson), George Alexander, Maureen Dowden, Charlotte Levy, Howard Mole, Filbert Musau, Florence O'Hale, Derek Quinn and Willie Redmond

Attending: Charles Turner, Brian Gannon, Beth Reilly, John Russell, Ray Macleod and Sharon Craig-McLeary
Andy McBean, Alexander Sloan (for Items 1 to 5.5)

Owen Stewart welcomed and introduced Andy McBean representing Alexander Sloan who completed the audit of the financial statements.

1. APOLOGIES

Apologies were received from Pauline Casey, Robert Kelly, Nicola McCurdy, Abdifatah Hayde and Joseph Bratney.

NOTED

2. DECLARATION OF INTERESTS

Beth Reilly declared an interest in Agenda Item 13 Any Other Competent Business.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 13 JUNE 2017

The minute of the previous meeting held on 13 June 2017 was approved a correct and accurate record of the proceedings. Proposed by Derek Quinn and seconded by Filbert Musau.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING OF 13 JUNE 2017

Charles Turner referred to the last meeting, the decision as to who would stand down at the AGM and confirmed that Derek Quinn and Howard Mole will be standing down along with Charlotte Levy and Maureen Dowden.

NOTED

5. ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2017

5.1 Annual Accounts and 5.2 Consolidated Accounts

John Russell gave a presentation on the Financial Statements, highlighting the following areas:

- Key areas of income, expenditure and assets and liabilities were compared with the audited figures for the previous year and explanations provided for key movements and trends.
- The final audited figures were compared with those reported previously within the year end management accounts. It was noted that the final audited surplus for the year was £28k higher than the management accounts figure.
- The Consolidated Accounts incorporated the results of the subsidiary companies accounts to provide an overall position for the Thenue group as a whole.

Andy McBean explained the purpose of the audit and referred to several pages in the Financial Statements confirming factually correct information and that Thenue members can be reassured of a true and fair view of finances. The auditors provide a template for the checking of figures and focus on areas of risk which provides verification and satisfaction for third parties, creditors and debtors. Andy was happy and satisfied of the findings from the audit which demonstrated accounting requirements were followed, records maintained, a solid system of financial control was in place and no issues picked up. Covenant calculations had been looked at and Andy confirmed a specific certificate will be produced for submission to the Association's main lender as required under the terms of the loan agreement.

The Board of Management approved the Financial Statements for the Year Ended 31 March 2017 and the reporting of the Financial Statements for the Association to the members at the annual general meeting next month. This was proposed by Derek Quinn and seconded by Howard Mole.

DECIDED**5.3 Auditors Management Letter and Draft Response**

Andy McBean explained the purpose of the letter was to raise any key matters arising during the course of the audit and was pleased to report nothing of any concern. This letter is also submitted to The Scottish Housing Regulator along with the Consolidated Financial Statement. John Russell explained the letter responding to the contents of the Auditors Management Letter required approval. Having considered the contents of the Auditors Management Letter the Board of Management approved the response.

DECIDED**5.4 Auditors Letter of Representation**

John Russell advised this is a standard letter issued to the Auditors giving written assurances on a range of relatively routine matters in relation to the accounts. The Board of Management considered the contents and approved the letter.

DECIDED**5.5 Performance against Lenders Financial Covenants**

John Russell referred to the report which confirmed the final outturn position against the lenders financial covenants for the year ending 31 March 2017. All of the covenants were comfortable and satisfied. John advised the Board that figures presented in the report for the Royal Bank of Scotland's covenant's are the original covenants, before any revision for the impact of Financial Reporting Standard 102. John hoped to be in a position to present revised covenants with the Bank later this year. The Board of Management noted the satisfactory performance against the covenants as set out within the report.

NOTED

Andy McBean was thanked for coming along and left the meeting at this point.

5.6 Re-appointment of Auditors

With reference to the report concerning the re-appointment of auditors Alexander Sloan, the Board of Management approved re-appointment with the recommendation to be presented to members at the AGM on 12 September 2017.

DECIDED

6. QUARTERLY PERFORMANCE FOR THREE MONTHS TO 30 JUNE 2017

6.1 Quarterly Key Performance Indicator Report

Charles Turner highlighted the solid financial performance, less than expected staffing costs, exceptionally good void performance, increase in Universal Credit cases, arrears performance ahead of where it was at the same time last year, repairs and 'right first time' satisfaction high.

He also detailed the contents of the quarterly performance table with Tenancy Sustainment below target. He highlighted issues in the Calton area with people leaving or wanting to leave due to current drug related issues. An additional Police action plan has been prepared with the implementation of extra policing in addition to the formation of a new residents group, who will seek to become a 'registered tenant organisation' in due course.

Following questions from Board members the following was noted:

- In relation to auto pension enrolment, advice was not given to employees.
- It was noted that there are two performance statistics that can have potential competing objectives; namely satisfaction with the home at moving in and average days to re-let. The first may suffer when we focus on letting properties quickly and holding back some repairs until the tenant moves in.
- It was also noted that our target for keeping appointments would reduce slightly in the new contract as most other housing associations offer morning or afternoon slots only whilst Thenue offer a two hour slot which is more challenging to meet.

The Board of Management approved the quarterly performance report.

DECIDED

6.2 Management Accounts

John Russell gave a brief presentation of the management accounts covering the main variances of income, operating expenditure and non-operating expenditure. The Board of Management approved the Management Accounts for the three months to 30 June 2017.

DECIDED

6.3 Loan Portfolio Report

John Russell referred to the report which was noted by the Board of Management.

NOTED

7. SUBSIDIARY COMPANY – AMENDMENT TO CONSTITUTION

Charles Turner advised the current constitution for the subsidiary company Calton Heritage & Learning Centre required renaming and the Articles of Association required amendment because of the expansion to include the new Centre in Castlemilk and to allow for the development of any future community facilities. Charlie highlighted the broadening of the geographical area which at the moment is only Calton and detailed the current and proposed complement of Directors.

The Board of Management took the opportunity to consider and discuss the proposed name options of "Calholm and Thenue Community Groups" or "Thenue Community". George Alexander on behalf of local Area Association representatives gave a statement on their preference of "Calholm and Thenue Community Groups". Board members had a lengthy discussion and unanimously agreed the name "Thenue Communities" (not Thenue Community) based on the importance of governance, clarity within the Parent Group Thenue, associated risk and the potential for other Centres in the future. The Board recognised that there is no change to the

name of the Calton Heritage & Learning Centre and the people in Netherholm will be choosing a suitable name for their Centre.

The Board of Management agreed:

- The proposed amendments to the current Memorandum and Articles of Association.
- The name of the subsidiary company to be Thenue Communities.
- To seek consent to the changes from OSCR (Office of the Scottish Charity Regulator).
- The implementation of the new articles by resolution.

DECIDED

8. DEVELOPMENT UPDATE

Beth Reilly detailed the background and recommendations in the report indicating that the Property Services Sub-Committee previously had responsibility for the decisions and are now the responsibility of the Board of Management. She also gave clarity that:

- The design brief will be the standard for all projects with only the particular project details changing.
- There are specific criteria for projects and explained how viability and finance is checked and determined by the Heads of Property Services and Finance.
- The Business Plan contains the development programme with projects at various stages and the next Plan will be costed to take forward to the next stage.
- The Board of Management is asked to give approval or authority at a particular stage and further reports presented as required for further approval e.g. feasibility studies.

8.1 Abercromby Street Site

- a. Approved the appointment of the Design team members listed in the report and
- b. Authorised the Chair to sign the formal memorandums of Agreement/
Appointment
- c. Approved the draft Design Brief with amendments including the removal of
reference to Calton Area Associations
- d. Approved the tenure as 100% for social rent and the house mix detailed in the
report
- e. Approved the programme to achieve a site start in October 2018 and delegated
authority to the Head of Property Services to:
 - To instruct the Design Team to continue all the necessary design works to allow
for all statutory approvals required and
 - That subject to Cost Plan/Pre-Tender Assessment Approval from DRS to
instruct the Design team to progress to Tender Stage
 - To instruct the issue of tender Documents to the agreed Tender List
 - To instruct the acceptance of tenders subject to an offer of grant funding being
in place
 - Confirmation from the Head of finance that loan finance to cover the
balance of the costs in place
 - Savings of no more that 10% of the works costs are required
 - Rent levels are no more than 3 person rents plus 5%
- f. Delegated to the Executive Team
 - To consider the Viability Assessments and to approve the submission to the
Grant funder Glasgow City Council.
 - To agree the tender list for the project from the Framework for Contractors
- g. Approved the use if the traditional Scottish Building Contract with quantities
- h. Approved the use of the framework for contractors to produce the tender list

8.2 44 Dalmarnock Road Site

- a. Approved the appointment of the Design team members listed in the report
- b. Delegated to the Head of Property Services authority to appoint a member of the Design Team to the role of Principal Designer
- c. Authorised the Chair to sign the formal memorandums of Agreement/ Appointment as and when these are prepared
- d. Approved the draft Design Brief with amendments including the removal of reference to Calton Area Associations and authorised the Head of Property Services to amend further to comply with requirements of conservation area status
- e. Approved the tenure as 100% for social rent and the house mix detailed in the report
- f. Noted the programme to achieve a site start in 2018/19 if possible
- g. Approved the use of the traditional Scottish Building contract with quantities
- h. Approved the use of the framework for contractors to produce the tender list

8.3 Landressy Place Site

- a. Authorised the Head of Property Services to progress the acquisition of the site and to submit a Scheme Proposal, based on the feasibility study, to the Council
- b. Approved the appointment of the design team members listed in the report
- c. Delegated to the Head of Property Services authority to appoint a member of the Design Team to the role of Principal Designer
- d. Authorised the Chair to sign the formal memorandums of Agreement as and when these are prepared
- e. Approved the draft Design Brief with amendments including the removal of reference to Calton Area Association and authorised the Head of Property Services to amend further to comply with requirements of the Glasgow Standard
- f. Approved the tenure as 100% for social rent and the house mix detailed in the report subject to final approve once mix is finalised.
- g. Noted the programme to achieve a site start in 2018/19 if possible
- h. Approved the use if the traditional Scottish Building Contract with quantities
- i. Approved the use of the Framework for Contractors to produce the Tender List

8.4 Monteith Projects

- a. Noted the funding for the project
- b. Noted the savings of £76,268
- c. Noted the award of the contract to Crudens Buildings and Renewals

8.5 Programme Letter 2017/18

- a. Authorised the Head of Property Services to accept the Grant Planning Target, (GPT), on behalf of the association
- b. Noted the award of a GPT of £7.988m and Council tax funding of £1.225m and the additional budget awarded to Glasgow for years 2018-21
- c. Noted the submission of Development Funding Plan tables by 21 August
- d. Noted that Heads of Property Services and Finance will be reviewing pipeline programme to determine if projects could be accelerated

8.6 Glasgow Standard

Noted the report regarding proposed Glasgow Standard and concerns about impact on programme and costs

8.7 Frameworks for Consultants and Contractors 2017-21

Noted the creation of the Frameworks

8.8 Site of former Littlehill Primary School Blackhill

- a. Approved the commissioning of a Feasibility Study and associated Site Investigations subject to receiving a grant offer to cover these costs in 2018/19 if not earlier
- b. Authorised the head of Property Services to select a consultant architect from the framework to carry out the study

8.9 Site of former Transport Mall, Dalmarnock

- a. Noted the appointment of Mast architects to carry out the Feasibility Study
- b. Noted a local housing association had declined to engage in the project

B Reilly asked if Board would approve the signing of the formal Memorandums of Agreement for the Design Team appointments for the Abercromby Street project, which was agreed.

DECIDED**9. REGULATORY ENGAGEMENT**

Charles Turner gave an overview of the report which included the responses to The Scottish Housing Regulator concerning the Annual Charter Return submissions, gas servicing and fire safety for tenants. The Board of Management noted the contents of the report.

NOTED**10. RENT SENSE PROPOSAL**

The Board received a report outlining the business case for investing in the Rent Sense software package for one year to assist the Income Maximisation Team manage and reduce rent arrears. He explained how the system would aid Officers by protecting and increasing income collection particularly as Universal Credit is a major risk and due to roll out in September 2018. There is evidence that Rent Sense will lead to a reduction in rent arrears, an increase in rental income and a more efficient and effective style of managing our current rent arrears caseload.

The Board of Management approved the suspension of Standing Orders at this point 8.00pm for 15 minutes to conclude the evening's business.

DECIDED

Brian indicated that he and other staff had visited and spoken with other organisations currently using the system and suggested piloting the system for one year. The Board of Management approved to invest in Rent Sense for one year, review and report back on the outcome to consider whether we should purchase a license beyond this period.

DECIDED**11. SUBSIDIARY COMPANY MINUTES****11.1 Calton Heritage & Learning Centre Board 26 June 2017**

The Board of Management noted the minute.

NOTED**12. CHIEF EXECUTIVE'S REPORT**

Charles Turner intimated there was only one decision to be made concerning the cancellation of 11 memberships and the remainder of the report was for noting. The Board of Management approved the cancellation of the 11 memberships and noted the remaining items in the report.

DECIDED

13. ANY OTHER COMPETENT BUSINESS**13.1 Reactive Repairs Contract**

Charles Turner advised that the procurement process for the reactive repairs contractor was coming to a conclusion with the external procurement advisor producing the formal tender report. To ensure that the process can be completed in time to allow the new contract to commence on 1 December the Board is asked to delegate authority to the Executive Team to progress the award of the contract to the contractor as specified in the tender report.

DECIDED**13.2 Joint Vice-Chair**

Charles Turner reminded Board members those statements for the position of second Vice-Chair need to be submitted in time for the next Board meeting.

NOTED

Beth Reilly had declared an interest in the next topic and left the meeting.

13.3 Request from the Scottish Housing Regulator

Charles Turner reminded the Board that Beth Reilly had been appointed by The Scottish Housing Regulator to serve on the Board of another Registered Social Landlord that was under high engagement for a period of six months. The period of six months has come to an end; however, the Scottish Housing Regulator has asked if Beth Reilly is willing to continue for another period of one year. Beth has indicated her willingness to do this, subject to Board approval. The Board of Management approved Beth Reilly's appointment subject to her wanting to continue and there is no in-adverse impact in her role at Thenu.

DECIDED

Beth Reilly returned to the meeting and was advised of the outcome of the Board's discussion.

13.4 Formal appointments:

On behalf of the Board, Owen Stewart signed and E Reilly witnessed the appointments for the project to develop the site at Abercromby and Tobago Streets.

- Architect: Mast Architects
- Quantity Surveyor: Reid Associates
- Civil and structural Engineer and Principal Designer: Scott Bennett Associate

DECIDED**14. DATE OF NEXT MEETING**

The next meeting will be held on Tuesday 19 September 2017.

The meeting closed at 8.13pm.

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

Signature:
Owen Stewart
Chairperson

Date: 19/9/17

