

**Meeting of the Board of Management to be held  
on Tuesday 21 November 2017  
at 6.00pm in 423 London Road, Glasgow, G40 1AG**

**AGENDA**

- |   |                        |
|---|------------------------|
| <b>1. Apologies</b>   | <b>To note</b>         |
| <b>2. Declaration of interests</b>  | <b>To note</b>         |
| <b>3. Minute of meeting held on 31 October 2017</b>   | <b>For approval</b>    |
| <b>4. Matters arising from previous meeting on 31 October 2017</b><br>EVH conference report   | <b>For approval</b>    |
| <b>5. Quarter two operational performance :</b><br>5.1 Quarterly performance report<br>5.2 Management Accounts<br>5.3 Loan Portfolio report | <b>For approval</b>    |
| <b>6. Rent policy - review</b>  | <b>For decision</b>    |
| <b>7. 2018/19 Business Plan and proposal for rent consultation</b>  | <b>For decision</b>    |
| <b>8. Subsidiary Company draft minutes:</b><br>8.1 Thenue Communities, 30 October 2017  | <b>For information</b> |
| <b>9. Any other competent business</b>  |                        |
| <b>10. Date of next meeting Tuesday 30 January 2018</b>   | <b>To note</b>         |

THE NUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting  
held on Tuesday 21 November 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

**Observing:** Jeannette Goode

**Attending:** Charles Turner, John Russell, Brian Gannon, Beth Reilly, Ray Macleod and Sharon Craig-McLeary

**1. APOLOGIES**

Apologies were received from Pauline Casey and Board members were reminded Robert Kelly and Nicola McCurday have a leave of absence.

**NOTED**

**2. DECLARATIONS OF INTERESTS**

There were no declarations of interest.

**NOTED**

**3. MINUTE OF THE PREVIOUS MEETING HELD ON 31 OCTOBER 2017**

**3.1 Property Services Programme**

Beth Reilly gave an update on the Property Services Programme for noting as follows:

- Abercromby Street Site: Planning permission due to be submitted for 71 units and Forsyth Glazing were developing their site for the erection of their additional building.
- 44/46 Dalmarnock Road & 39 Landressy Place: Aiming to submit planning permission before Christmas as compliance with the new Gold standard would be expected if the planning application was later.
- 415/419 London Road: The verbal offer to buy has been accepted with legal completion expected on 13 December 2017.

**NOTED**

**3.2 EVH Annual Conference Feedback**

Florence O'Hale had prepared a report on her attendance at the EVH Annual Conference and expressed her gratitude to George Alexander for being an excellent mentor over the weekend. She had found the weekend beneficial and enjoyed discovering how housing associations were similar or different.

**NOTED**

**4. QUARTER TWO OPERATIONAL PERFORMANCE**

**4.1 Quarterly Performance Report**

Charles Turner advised the "Traffic Light" method of reporting indicated the areas doing well (green) and those to be improved (amber and red). Charlie highlighted:

- There had been more voids than expected which affected rental income, re-active and void repairs expenditure.

- The timing of cladding work and factoring recharges affecting the major repairs expenditure.
- The percentage of repairs appointments remained lower than last year.
- Additional resources had been put in place to tackle anti-social behaviour problems in Calton which are reducing but increasing in Castlemilk.

Following discussion and questions Board members were given clarity on the following:

- Anti-social complaints are technically incidents which are not connected to failures or issues with service delivery.
- One of the reasons for a better performance on factoring arrears was due to defined processes e.g. quarterly billing for insurance, harder line take with non-payment, chasing arrears, charging for reminders.
- Voids were re-lets as opposed to new lets.

The Board of Management approved the quarterly performance.

**DECIDED**

#### **4.2 Management Accounts 6 Months to 30 September 2017**

John Russell presented a summary of the management accounts highlighting:

- A comparison of actual income and expenditure against budget and the variance.
- The main variance in income, operating and non-operating expenditure.
- The last Right to Buy completed.

The Board of Management noted the Management Accounts for the 6 months to 30 September 2017.

**NOTED**

#### **4.3 Loan Portfolio Report**

John Russell gave an overview of the loan portfolio which is regularly reported for information. The Board of Management noted the report.

**NOTED**

### **5. RENT POLICY HANDBOOK REVIEW**

Brian Gannon advised the Rent (Occupancy) and Services Charges Policy Handbook had to be reviewed sooner to make amendments reflecting:

- The new rent factor for properties where a communal Wi-Fi system has been installed.
- The application of Scottish Government Social Rent Benchmark Rents at handover of new build properties instead of our rent policy.
- The significant changes and re-writing of the Shared Ownership Policy following the Scottish Government's guidance.

Brian indicated prior to formal approval the handbook required consultation with tenants and sharing owners.

Following discussion and questions Board members were given clarity on the following:

- Wi-Fi installation is intended to give internet access to people who do not currently have access. We will delay charging through the tenants rent to enable tenants to cancel/terminate existing less affordable contracts.
- Permission can be given for sharing owners to sub-let.
- The Scottish Government Social Rent Benchmark Rent is only for the first year for new builds and thereafter rents will harmonise with Thenu's Rent Policy.

- Shared Ownership Buy Backs will only be considered if there is an exceptional benefit or an interest to the current stock profile e.g. enabling a full tenement block being owned by the Association.

The Board of Management agreed the revised Rent (Occupancy) and Services Charges Policy Handbook for consultation with tenants and sharing owners prior to formal approval in the New Year.

**DECIDED**

## **6. 2018/19 BUSINESS PLAN AND PROPOSALS FOR RENT CONSULTATION**

Charles Turner referred to the last Board of Management meeting and the review of the Business Plan at the half year point, and advised the planning for next year had begun. He advised consultation with tenants and tenants groups on the next rent review will commence shortly, avoiding the December holiday period as previously requested by tenants. The Board of Management were required to consider and make a decision to proceed with the consultation. The presentation was given in two parts with the first part given by Charles Turner on the context and the second by John Russell on the budget.

### **Context**

Charlie focussed on:

- Comparability, sustainability and affordability.
- The Scottish Housing Regulator's expectations for landlords to give tenants genuine options when reviewing rents.
- The REST Group's comments in 2017 was on keeping rent increases as low as possible.
- What was learnt from the Tenants Satisfaction Survey identifying the top three most important services of 1 Repairs Service; 2 Improving Homes and 3 Customer Services.
- The last four years of Scottish average rent increase and compared this with Thenue's which was consistently well below.
- Comparison of rents per week against Glasgow Housing Association operating in the same areas with an average weekly difference equating to 35p.
- The future economy and the difficulties tenants might expect.
- What other housing associations are anticipating in increasing their rents by.
- The proposal of a rent increase of inflation only of 3.9% or an alternative choice of increasing rents by 5.9% with the bathroom replacement cycle being reduced from 30 to 25 years.

### **Budget**

John Russell presented an update on the current long term financial projections and forecasts. John highlighted:

- The main changes with the first being an increase in stock by 175 more units in the 2018 Business Plan.
- The other changes in key assumptions comparing the 2018 and 2017 Business Plans.
- The differences between the 2018 cash flow against 2017 in the medium term compared over a five year period.
- Various graphs demonstrating:
  - The 2018 Base Plan v 2017 Base Plan
  - The interest cover for the Royal Bank of Scotland loan covenants.
  - Total financial indebtedness to historic costs.
  - Overall debt outstanding and debt per unit.
  - The projected cash flow over 30 years which indicated the dips where major repairs expenditure is expected.
  - The comparison and impact of the alternative rent option and the shorter and earlier cycle for bathrooms against the inflation only rent increase.

John concluded:

- An inflation only rent increase of 3.9% in 2018 is affordable for the business.
- Lenders covenants continue to be satisfied with adequate risk "headroom".
- Additional borrowings to support the larger development programme are repaid within the 30 year period of the plan.
- Short, medium and long term viability remains strong.

Owen Stewart referred the Board of Management to the recommendations and proposals to be considered and approved for consultation with tenants:

- Rent increase of inflation only of 3.9% or
- Rent increase of inflation plus 2% of 5.9% with the bathroom replacement cycle being reduced from 30 to 25 years.

Owen opened the meeting to questions and the following summarises thoughts, opinions and comments:

- EESH upgrade and the effect on income. John Russell confirmed there was no grant funding for EESH with reserves/loans covering the cost and contained in the Business Plan.
- Cladding of properties by Scottish & Southern Energy, (SSE). John Russell and Beth Reilly advised the current contract was good value for money with owners receiving Home Energy Efficiency Programme, (HEEPS), grant funding or paying for their own property.
- With inflation high this year what about next year and the following years.
- The impact on the vast majority of tenants who have recently had upgraded bathrooms, what benefit is a larger increase to them? Brian Gannon intimated that this 5.9% option had been presented based on feedback from previous discussions with the Tenants Scrutiny Panel who felt that replacement cycles for bathrooms were too long and the outcomes of the Tenant Satisfaction Survey where the majority of tenants wanted choices based on investment in their homes.
- Why only bathrooms, what about other value for money variables, what will tenants receive for 1% above inflation in real terms and what about extending major repairs programmes? John Russell reaffirmed the expectations of The Scottish Housing Regulator and the difficulties in a challenging economic climate.

The Board of Management at this point approved the suspension of Standing Orders more up to 30 minutes to finish the discussion and business of the evening.

- Unanimous support for the inflation only increase as Board members found it difficult to ascertain how tenants with limited income which isn't increasing can afford greater increases above inflation of 1% or 2% with nothing to see for a long time or having rents higher than other landlords.
- Understanding of The Scottish Housing Regulators requirements was acknowledged with work by Officers to continue for giving tenants options and making appropriate adjustments to the Business Plan

After a challenging discussion and careful thought the Board of Management agreed to consultation with tenants of a rent increase of 3.9% inflation only.

**DECIDED**

**7. SUBSIDIARY COMPANY DRAFT MINUTES**

**7.1 Thenue Communities 30 October 2017**

Owen Stewart advised the minute was for information and any questions can be directed to the relevant Chair or service officer outwith the meeting:

**NOTED**

**8. ANY OTHER COMPETENT BUSINESS**

There was no other competent business.

**NOTED**

**9. DATE OF NEXT MEETING TUESDAY 30 JANUARY 2018**

The next meeting will be held on Tuesday 30 January 2018 at 6.00pm.

The meeting concluded at 8.20pm.

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

Signature: \_\_\_\_\_  
Owen Stewart  
Chairperson



Date: \_\_\_\_\_

27/2/18