

**Meeting of the Board of Management to be held on Tuesday 30th October 2018
at 6.00pm in 423 London Road, Glasgow, G40 1AG**

AGENDA

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| 1. | Apologies and welcome to new Member | To note |
| 2. | Declaration of interests | For information |
| 3. | Minute of meeting held on 25th September 2018 | For approval |
| 4. | Matters arising from meeting of 25th September 2018 | For information |
| 5. | 2018/19 Business Plan – half year review
Including:-preparations for Universal Credit report | For information
and decision |
| 6. | Scrutiny Panel, (REST) report on rent consultation and response | Recommendations
to note |
| 7. | Initial consideration of rent increase options for 2019/20 | For discussion |
| 8. | Chief Executive’s report | For decision |
| 9. | Subsidiary companies and other minutes: | |
| | 9.1 Thenue Communities AGM minute 17 September 2018 | For noting |
| | 9.2 Staffing Sub-Committee 23 October 2018 | For approval |
| 10. | Various policy amendments | For decision |
| 11. | Regulatory engagement | For information |
| 12. | Procurement | For decision |
| | 12.1 New framework for Contractors 2018 | |
| | 12.2 Tenders for boiler replacement programme 2018 | |
| 13. | Any Other Competent Business | |
| 14. | Date of Next Meeting on Tuesday 20th November 2018 | To note |

THENUUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 30 October 2018 at 6.00pm
within 423 London Road, Glasgow, G40 1AG**

Present: Derek Quinn (Chairperson), George Alexander, Pauline Casey, Jeanette Goode, David Keltie-Armstrong, Charlotte Levy, Nicola McCurdy, Howard Mole, Filbert Musau, Florence O'Hale, Willie Redmond, Owen Stewart

Attending: Charles Turner, John Russell, Brian Gannon, Beth Reilly, Gail Shearer and Ray Macleod

1. APOLOGIES AND WELCOME TO NEW MEMBERS

Apologies were received from Maureen Dowden and Abdifatah Hayde.

NOTED

Derek Quinn welcomed and introduced David Keltie-Armstrong, new member, and Gail Shearer, Income Maximisation Manager. Members and Officers present introduced themselves.

NOTED

2. DECLARATIONS OF INTEREST

Charles Turner reminded Board members of the purpose of this regular agenda item to express any personal business interests in topics during the meeting and leave at the appropriate time.

There were no declarations of interest.

NOTED

3. MINUTE OF PREVIOUS MEETING HELD ON 25 SEPTEMBER 2018

Prior to approving the minute Charles Turner advised there were a few corrections. Subject to the amendments of the following the Board of Management approved the minute:

1. Removal of Sharon Craig-McLeary's name as she was not in attendance.
2. Removal of Nicola McCurdy's name as she had given apologies.
3. Change the word "quality" to "equality" in Agenda Item 8 and the sixth bullet point.
4. Insert the word "no" in Agenda Item 13 as there was no other competent business.

The minute was proposed by Pauline Casey and seconded by Charlotte Levy.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 25 SEPTEMBER 2018

There were no matters arising from the previous meeting held on 25 September 2018.

NOTED

5. 2018/2019 BUSINESS PLAN HALF YEAR REVIEW

Charles Turner explained the report was for information, required no decision and informed Board members of which operational objectives had been completed, the action progressing for others and the preparation to start the process for the next Business Plan. He intimated at the half year point 63% of the objectives had already been achieved, rent arrears after six consecutive years of reducing were at their lowest and talked through each point with the exception of objective

Number 4 which had a separate report. He invited Board members to ask questions or comment. There was a brief discussion on objective Number 8, "by December 2018 evaluate the feasibility of extending affordable communal Wi-Fi systems across our stock", as to how we assess, evaluate and measure the benefits and impact for our tenants and any potential employability opportunities from the pilot scheme. Staff advised the starting point is the number of tenants who have joined the project at a cost of £1 per week and a series of case studies to be reported at a future meeting with analysis of the project.

The Board of Management noted the current position at the mid-year point and progressing action.

NOTED

Brian Gannon referred to operational objective Number 4 "by September 2018 be fully prepared for the introduction of "Full Service" Universal Credit" and the supporting report. He highlighted:

- The issues with the roll out of Universal Credit and the Government's response/s.
- The difference between the "Live Service" and "Full Service".
- The impact on tenants with no or little experience of the internet and online technology.
- The payment of Universal Credit direct to customers and the longer/delayed timescales.
- Direct payments to individual landlords.
- As from December 2018 in Glasgow the introduction of "Full Service" for new claimants.
- The gradual move over of existing claimants from November 2020 and to be completed by 2023.
- The Detailed Operational Action Plan that staff have developed to mitigate the impact of Full Service UC on Thenue and our tenants.

Brian advised the rent income system and structure is in place to assist our tenants and is demonstrated by the current low level in rent arrears, however, evidence from other areas where "Full Service" has been rolled out there has been a dramatic increase in rent arrears for Universal Credit claimants. Brian concluded we are well prepared for Universal Credit but we need to recognise this will remain a very significant challenge for Thenue. Gail Shearer described the support Job Centres will be giving claimants and the allocation of an individual work coach to maintain consistency. The Universal Credit Portal will enable claimants to access an online journal to track and add tasks e.g. rent increases, mandates for sharing information. Gail re-iterated we are in the best possible position and ready for "Full Service". The Board of Management noted the contents of the Universal Credit report and appreciated the update.

NOTED

6. SCRUTINY PANEL (REST) REPORT ON RENT CONSULTATION AND RESPONSE

Charles Turner gave an overview of the report and expressed there was a lack of recommendations on tenant choices for rent consultation. In response to the report the Executive Team had prepared an action plan indicating agreement or disagreement with comments which will be presented to the next REST Group meeting. Charlie intimated the Executive Team agreed with 9 of the 14 recommendations and partly agreed with five which he explained further the response and invited Board members to comment. The following was discussed, commented on and noted:

Language and communication: We are "Happy to Translate" accredited as it can be impractical or unrealistic due to the volume of different languages and documents to know what to have available.

Opportunities: We have held regularly a variety of consultation events which have been poorly attended or responded to, however, the use of the App will give an additional option to communicate and consult with tenants.

Tenant involvement in setting priorities: We employ staff and commission consultants to assess and action replacement cycles for e.g. kitchens, bathrooms, etc. which can impact increases in repairs expenditure if delayed. The aspirations of tenants expecting replacement earlier has the impact in rent levels increasing sooner. Improve communication to tenants on the impact of cycle processes and rent increases.

Realistic and achievable options: The challenges expected by the Scottish Housing Regulator and the issues highlighted by GWSF in contriving choice for the sake of it.

September/October each year: Information on the current budget can be given but the future budget requires to go through the Business Planning process.

Board members expressed it was their responsibility to set priorities and take into consideration consultation responses. The Board of Management noted the recommendations in the REST report and the action plan prepared by the Executive Team in response.

NOTED

7. INITIAL CONSIDERATION OF RENT INCREASE OPTIONS FOR 2019/20

Derek Quinn invited Board members to contribute to the discussion. John Russell gave a presentation on the potential rent increase options for consultation with tenants outlining the financial projections with an aim to minimise any increase in balance with the business needs. He intimated this is work in progress as the Board of Management still has to meet at the beginning of December to discuss Business Plan priorities. John highlighted:

- Key assumptions, changes to projections in 2019 measured against 2018 (number of properties, borrowing levels, loans, interest rates, inflation).
- 3.3% RPI as at September 2018.
- New fire regulations.
- Potential for a second EESSH.
- Rent increase of 3.3% inflation only or inflation plus.
- Rent choice adding 0.6% for a garden volunteer project, therefore a rent increase of 3.9%.
- Major repairs including for the new fire regulations over the next two years which will recur on a 10 year cycle.
- Employee costs for essential/core services.
- Bad debts.
- Voids.

John explained the cash flow position and the rent increase impact over 5 years ensuring that lenders covenants are maintained. He also presented the longer term cash flow position over the next 30 years and the impact of inflation only and inflation plus in 13 to 15 years' time. John concluded a rent increase of 3.3% for 2019 was affordable and viable, with the option of a rent increase including a garden volunteer project for all our communities of 3.9%. He suggested these options be presented to the REST Group for consultation.

Brian Gannon explained what the Garden Volunteer Project is and the positive impact it has had in transforming the Calton area. A Big Lottery funded project to employ a gardener to work with local volunteers in Calton giving them the skills and experience to tidy the garden areas. A Big Lottery application has been submitted to continue the project and expand it. Following discussion the following was noted:

- Disagreement of the rent choice as looking after garden areas is the responsibility of the tenant, therefore, why should other tenants pay.

- If Big Lottery funding is successful and depending on when and how much is received how does this affect the rent increase.
- Suggestion of the feasibility of having a 5 year rent increase option, however, the uncertainty of the future and making adjustments would be restricted.
- Rent increases are set on RPI whilst employee salary increases are CPI based which had been changed through agreed salary negotiation to CPI plus and not generally higher than RPI.
- Recognised that housing industry components are rising above inflation.
- Recognised that the smoke detector imminent costs will recur at an end of life 10 year cycle.
- Could the Garden Volunteer Project offer employability or apprenticeship opportunities.

Derek Quinn clarified no decision was needed as the discussion was to consider the initial thoughts of the Executive Team on possible rent increase options for next year with a view to finalising these at next month's meeting of the Board for onward consultation with our tenants.

NOTED

8. CHIEF EXECUTIVE'S REPORT

Charles Turner overviewed the report which had two decisions. The Board of Management approved the cancellation of 17 share certificates; the reinstatement of one share member cancelled in error and noted the remainder of the report.

DECIDED

9. SUBSIDIARY COMPANIES AND OTHER MINUTES

9.1 **Thenue Communities AGM Minute 17 September 2018**

9.2 **Staff Sub-Committee Minute 23 October 2018**

Derek Quinn advised that the Staffing Sub-Committee minute needed to be approved, as there was no fixed date for the next meeting. Proposed as accurate by Pauline; seconded by Charlotte and subsequently approved.

APPROVED

Charles Turner for information confirmed who the Directors of Thenue Communities are Betty Cosgrove (Chair), Cathie Martin, Mary McPherson, Joan Soutar, Thomas John McDougall, Jim Coleman, Charles Turner and Beth Reilly.

NOTED

10. VARIOUS POLICY AMENDMENTS

John Russell reported that some minor policy amendments were required to be approved. The Board of Management approved the following changes:

- **IT Security:** configuration and characteristics for internal passwords.
- **GDPR:** text in all relevant policies changed to new GDPR.
- **Financial Regulations:** authorised user and signatories updated for grants and funding.

DECIDED

11. REGULATORY ENGAGEMENT

Charles Turner advised the report was for information, but briefly described the Scottish Housing Regulator's consultation document on the future of social housing regulation in Scotland. Views are to be submitted by 14 December 2018 with Charlie suggesting supporting the GWSF and SFHA

responses and submitting our own reply. He highlighted the implications of the proposed "annual assurance statement" to be signed off by the Chairperson.

NOTED

12. PROCUREMENT

12.1 New Framework for Contractors 2018

Beth Reilly explained the reason for changing the framework for contractors for new build and major repairs which was no longer fit for purpose. The proposal is to establish a new framework with live projects to obtain prices and be in a position to expand the framework for other RSLs interested to use it. Our solicitors T C Young and specialist procurement advisors are assisting with the process. The Board of Management agreed to the Head of Property Services progressing the procurement of a new framework for new build, refurbishment and repair contractors which will be open to other RSLs and noted the appointment of Turner Townsend as procurement advisors to assist in establishing the framework.

DECIDED

The Board of Management at this point agreed to the suspension of Standing Orders for fifteen minutes to complete the business for the evening.

DECIDED

12.2 Tenders for boiler replacement programme 2018

Beth Reilly indicated the tender was for boiler 15 year life cycle renewals of which four submissions were received. Beth explained the tender also included upgrading to EESSH standards in some properties and the inclusion of smoke detectors.

The Board of Management approved the acceptance of the tender submitted by McTears subject to savings as detailed and the additional work to include new smoke, heat and carbon dioxide detectors subject to works costs being contained in the overall budget for major repairs.

DECIDED

13. ANY OTHER COMPETENT BUSINESS

There was no other competent business.

NOTED

14. DATE OF NEXT MEETING

The next meeting will be held on Tuesday 20 November 2018 at 6.00pm.

NOTED

The meeting concluded at 8.15pm

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

Derek Quinn:
Chairperson



Date:

20/11/2018

