

**Meeting of the Board of Management to be held at 6pm
on Tuesday 26th February 2019 in 423 London Road, Glasgow, G40 1AG**

AGENDA

- | | | |
|-----|---|------------------------|
| 1. | Apologies | |
| 2. | Declaration of Interests | For information |
| 3. | Minute of meeting held on 29 January 2019 | For approval |
| 4. | Matters arising from meeting of 29 January 2019 | If required |
| 5. | Quarter 3 operational performance : | For approval |
| | 5.1 Quarterly performance report | |
| | 5.2 Management Accounts | |
| | 5.3 Loan Portfolio report | |
| 6. | Digital and IT strategy benefits to Thenue and customers | For decision |
| 7. | Subsidiary company matters: | |
| | 7.1 Thenue Communities Business Plan, 2019 to 2024 | For approval |
| | 7.2 Thenue Communities Board meeting, 21 January 2019 | For information |
| | 7.3 Audit & Risk Sub-Committee, 12 th February 2019 | For information |
| 8. | Board appraisals 2019 | For approval |
| 9. | Chief Executive's report | For decision |
| 10. | Any other competent business | |
| 11. | Date of next meeting, Tuesday 19 March 2019 | To note |

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 26 February 2019 at 6.00pm
within 423 London Road, Glasgow, G40 1AG**

Present: Derek Quinn (Chair), Charlotte Levy, Pauline Casey, Maureen Dowden, Willie Redmond, Nicola McCurdy, Howard Mole, Florence O’Hale, Filbert Musau, Abdifatah Hayde and Owen Stewart

Attending: Charles Turner, John Russell, Beth Reilly, Brian Gannon, Sharon Craig-McLeary and Sheena Fergusson (Minute taker)

Derek welcomed the committee to the Board meeting and thanked them for coming. He advised that all questions should come through the chair and all mobile phones be switched off or on silent during the meeting.

1. APOLOGIES

Apologies were received from George Alexander, David Keltie-Armstrong, Jeanette Goode.

NOTED

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 29 JANUARY 2019

The minutes of the previous meeting held on 29 January 2019 were proposed by Pauline Casey and seconded by Nicola McCurdy.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 29 JANUARY 2019

Willie Redmond asked if the mandated letter mentioned in item 4 had been signed and sent. He was advised this had been done.

DECIDED

5. QUARTER 3 OPERATIONAL PERFORMANCE

5.1 Quarterly Performance Report

Charlie advised the Board that the Quarterly Performance Report requires approval.

He advised the Board that the two “red” areas in the previous performance report were expected to remain red until evidence of improvement can be seen. He advised that there are still two “red” areas but they are not the same two.

The Board were reminded the two categories were:

- The number of housing failing the Scottish Housing Quality Standard
- The percentage of houses let within two weeks

He reported the percentage of houses being let is now performing above target. However a stage two complaint was not replied to within the target of 20 days so there are still two "red" categories. Charlie went through the "dashboard" table and advised that an explanation of all targets was highlighted in the "notes and comments on quarterly performance" column. For instance the dashboard shows that more rents were collected but this is due to the tenants at Phoenix House being in their accommodation for longer than originally expected. Charlie then proceeded through each item on the table highlighting:

- The rent arrears target is maintained with arrears being down again to 2%.
- The reactive repairs budget was underspent but there was an overspend on voids.
- Community Regeneration Income was up but was also spent on projects.
- Staff turnover was lower than anticipated.
- Emergency and non-emergency repairs were all within target with "right first time" targets being met and a high level of tenant satisfaction.
- Cyclical spend is below budget and although there appears to be a saving in Major Repairs this is not the case as the saving is due to slippage in the contract.
- Gas safety target of 100% was met.
- More medical adaptations were completed in this period than previous period.
- Tenancy sustainment is high.
- Voids are being let in 19 days the target is 21 days.
- Satisfaction with new homes is well above target.
- Staff attendance has dropped below 95% but this is due to three members of staff being off long term.

Board asked if there was a target set for attendance of Board at the Board meetings. Although a record of attendance is kept there are no set targets.

Maureen asked if the staff long term absences were serious and Charlie advised that one has now been resolved, one is ongoing and the third is on a temporary contract which will soon be coming to an end.

- Two Stage 1 complaints were late with one Stage 2 complaint being late. The Board queried timing of reminders being sent and if there is anyway of stopping this happening again. Charlie informed the Board that electronic reminders are sent and a register kept. This was purely down to human error. The outstanding stage 2 complaint was from an owner and a refund had been given as gutter cleaning work was not carried out satisfactorily.
- Committee were advised that 92% of Anti-social behaviour cases were resolved in time.
- There were no breaches of personal data.
- Near misses will be reported to the next Health and Safety meeting.

Owen asked if the SHQS figure will always be in Red. Beth advised the Board that eight units had been bought and they will appear as fails as they will not have modernisation works complete by this year-end. This will be reflected in the annual return to the Regulator.

The KPI's report showed overall the performance was good for the quarter.

Live development projects are included, the two that require closer staff scrutiny are:

- Monteith – the contractor has lodged a claim for an extension of time which is being assessed by the Architect in his role as Contract Administrator.
- London Road external work. The contractor has been served with a formal notice of “non-completion” with no application for an extension of time.

Beth advised the Board she wanted to make them aware of the position of the site at Monteith. She explained that requests for extensions of time are not unusual. The contractor may be granted extra time and still complete the contract in time and she is not unduly worried about this particular contract but was duty bound to report it to the Board. Beth advised the Board she believes the contract is being handled well but cannot comment on whether or not the Contract Administrator is fulfilling his role. Beth also explained the project is a complex one and the contractor was aware of this. It also took a long time to get the grants in place and getting on site took time due to the nature of the site. Howard thanked Beth for informing the Board of the detail of this matter.

The Board approved the quarterly performance.

APPROVED

5.2 Management Accounts

John Russell informed the Board that the accounts show the association has generated a surplus of £3.3m compared with the budgeted operating surplus of £2.4m. After accounting for non-operating items the surplus amounts to £2m which is £974 higher than budget. This is due to lower than anticipated repair costs, overhead costs, loan interest charges and increase in income from the subsidiaries. As reported in 5.1, slippage in the projects shows an underspend in this year's budget and this impacts on next year's budget. John informed the Board as the underspend is larger this year he and Beth will be having a meeting to discuss this and will report back to the Board.

Howard queried what scope there is to capitalise expenditure. John gave examples of capitalisation. Loan interest is still low and interest rates have been assumed in next year's Business Plan. John explained that although Right to Buy has now stopped income will still coming in from Sharing Owners who are tranching up. He also informed the Board that all three covenants were satisfied.

Nicola asked John to explain corporate overheads. John informed the Board that this is any overhead that is not an office overhead; examples would be professional fees for solicitors, affiliation fees and promotional costs.

Howard also queried the higher than budget spend on telephony and postage. John explained this is due to the recent data protection legislation, (GDPR), which resulted in several large mailings to all our customers and suppliers. Telephony costs are due to digitalisation costs.

Nicola asked if Thenue had applied to the Scottish Government for help with funding in regard to digitalisation. After a short discussion it was agreed that Brian will look into this and feed back to Nicola.

NOTED

5.3 Loan Portfolio

Loans outstanding at 31 December 2018 amount to £39.06 million. A total of 71.3% of the balance is being hedged with the remaining 28.7% remaining unhedged and this is within the parameters agreed previously by the Board. There were no further questions from the Board.

NOTED

6. DIGITAL AND IT STRATEGY BENEFITS TO THENUE AND OUR CUSTOMERS

This report noted that in October 2017 the Board received a report on a business objective in that year's Business Plan which was, *"by October 2017, to establish a framework that measures the value for money of our investment in our digital and IT strategies"*.

This report presented the outcome of work completed by staff to review our key Digital & IT investments and whether Thenue had achieved Value for Money in those investments in terms of:

- Direct cost savings
- Indirect cost savings/efficiency gains
- Investment Payback periods, and
- Impact on our customers

The report summarised the "payback" on each investment (all but one had achieved payback in one year). It also detailed the specific benefits to Thenue and our Customers. Brian advised the Board that some benefits had been expected but there are some that weren't such as the positive impact on rent arrears and customer engagement.

Nicola congratulated the association on the increase in tenant engagement. Derek advised the Board that Thenue appear to be more digitally advanced than other housing associations and it is good to see Thenue leading the way in Scotland. Howard commended the association on the results from Rentsense and the benefit to the business in such a short space of time.

The report shows that the Digital and IT strategy is not just about achieving value for money but also about freeing up staff resources to help our more vulnerable tenants and providing services that meet customers changing needs and preferences. The Board noted the report.

NOTED

7. SUBSIDIARY COMPANY MATTERS

7.1 Thenue Communities Business Plan 2019-2024

Charlie went through Thenue Communities Business Plan with the Board. He informed the Board Thenue Communities is in a good position to start 2019 but there are challenges ahead, which fall in years three, four and five. Thenue Communities need to look at reducing running costs, achieving full cost recovery for projects that are run and achieve income targets.

They aim:-

- to reduce running costs by reducing the extra hours the sessional works are needed for and with regular groups becoming key-holders.
- to increase income by targeting community groups with funding who want to use the facilities and will be able to pay for the rental of the centre.

After a short discussion Charlie confirmed that key-holders had all been given the relevant training. He also confirmed that users enjoy using the facility and all feedback is received through Thenue Communities Board. Nicola will speak to local community groups that may wish to use the hall. He advised the Board that Thenue Communities Board had scrutinised and approved the Business Plan at their last meeting. The Board approved the Business Plan.

APPROVED**7.2 Thenue Communities Board Meeting 21 January 2019**

Charlie advised the Board that the attached minutes were from the meeting that approved the Business Plan.

NOTED**7.3 Audit and Risk Sub-Committee 12 February 2019**

The Board noted the minutes of the Audit and Risk Sub-Committee

NOTED**8. BOARD APPRAISALS**

Board Appraisals are required to be carried out annually. In 2018 the appraisals commenced in March with the evaluation going to the Board in June. The association aim to repeat this again this year. Board members have been informed they can choose a slot either on either Monday 18 March between 1pm and 5pm or Monday 1 April between 9am and 6pm. Board members were asked to secure their slot by emailing Ray or seeing Sheena at the end of the meeting to book their slot.

The appraisal form will be on-line and accessed through the web portal or sent as a word document to some Board members. The form is currently being prepared and Derek advised the Board to complete and return their form three working days in advance of their appraisal in order that he, as Chair can look at them and prepare for the appraisals. The Chair and Vice Chairs will carry out Charlie's appraisal on 19 March 2019, so anyone with any comments to make, should pass them on prior to that date.

All Board members of the parent company and Board members of the subsidiary companies are to have an appraisal. Thenue Communities appraisals will be carried out by the Thenue Communities Chair and Thenue's Corporate Service Manager, but this does not require completion until September 2019, to coincide with their AGM.

9. CHIEF EXECUTIVE'S REPORT

Charles Turner informed the Board that affiliation to the West of Scotland Forum of Housing Associations needs to be renewed. The fees for this year will be £6,262, and this was approved.

As far as the wage increase for staff is concerned, agreement has not been reached with the Union and therefore a meeting will be held with ACAS on 28 February. Charlie will update the Board as soon as he is able.

EVH are holding their AGM on Monday 1 April. Several members are due to retire this year; five existing members are standing down and must stand for re-election. There will be some vacancies to fill and as a member organisation Thenue are encouraged to offer nominations. Their Governing Body One Day Seminar will be taking place on Sunday 12 May. This used to be held on the same day as the AGM but held separately this year.

The pension support group will be meeting on 25 June. A venue has not yet been booked and Charlie will inform the group members when this is done.

All Housing Associations in Scotland will come under the Freedom of Information (FOI) Act from 11 November this year. Any Housing Association function relating to Scottish Secure Tenancies and Short Scottish Secure Tenancies will be covered by the Bill. The bill does not apply to Factoring Services as this is not a public service. Other provisions not included are mid-market rent (Thenue has none) and care/support services. In the lead up to November the best use of time will be used to develop a thorough understanding of the FOI regime and what staff will be responsible for handling requests and providing training.

APPROVED

10. ANY OTHER COMPETENT BUSINESS

Nicola informed the Board she had been at the LGBT Housing Seminar and has been invited to go to the next meeting not as a Board member but to feedback to the Board. Brian informed the Board the Allocation Policy will be reviewed this year and feedback from Nicola may be very useful.

Filbert queried the size of Thenues' signs compared to the Contractors' signs at our new developments. Beth informed the Board that all our funders as well as the contractors have to be badged and therefore we need to be careful about signage.

NOTED

11. DATE OF NEXT MEETING

The date of the next meeting is due to be held on Tuesday 19 March 2019

The meeting closed at 7.40pm

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

Derek Quinn:
Chairperson



Date:

19 March 2019