

**Meeting of the Board of Management to be held at 6pm
on Tuesday 19th March 2019 in 423 London Road, Glasgow, G40 1AG**

AGENDA

- | | | |
|----|---|-------------------------------------|
| 1. | Apologies | |
| 2. | Declaration of Interests | For information |
| 3. | Minute of meeting held on 26 February 2019 | For approval |
| 4. | Matters arising from meeting of 26 February 2019 | |
| 5. | Chief Executive's report | For approval |
| 6. | Regulatory engagement | |
| | 6.1 New Regulatory Framework | Board understanding required |
| | 6.2 Correspondence re Brexit | Scenarios for approval |
| 7. | Review of housing bad debts | For decision |
| 8. | Any other competent business | |
| 9. | Date of next meeting on Tuesday 16 April 2019 | To note |

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 19 March 2019 at 6.00pm
within 423 London Road, Glasgow, G40 1AG**

Present: Derek Quinn (Chairperson), George Alexander, Pauline Casey, Maureen Dowden, Jeanette Goode, Abdifatah Hayde, David Keltie-Armstrong, Charlotte Levy, Howard Mole, Filbert Musau, Willie Redmond and Owen Stewart

Attending: Charles Turner, Brian Gannon, John Russell and Ray Macleod

Derek Quinn warmly welcomed Board members to the meeting, asked that mobile phones were silenced or switched off and all comments were to be made through the Chair.

1. APOLOGIES

Apologies were received from Nicola McCurdy, Foday Keran and Florence O'Hale.

NOTED

2. DECLARATIONS OF INTERESTS

There were no declarations of interest.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 26 FEBRUARY 2019

The minute of the previous meeting held on 26 February 2019 were approved a correct and accurate record of the meeting. Proposed by Maureen Dowden and seconded by Charlotte Levy.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 26 FEBRUARY 2019

In response to Agenda Item 5.2 Management Accounts and a question in relation to seeking digitisation funding from the Scottish Government, Brian Gannon advised submission requests were closed or unavailable as the funding was aimed at small charities and organisations.

NOTED

5. CHIEF EXECUTIVE'S REPORT

Charles Turner indicated a decision was required on the proposed EVH pay award and invited Board members to attend the Glasgow and West of Scotland Forum of Housing Associations (GWSF) session on the forthcoming Freedom Of Information (FOI) regulations.

Following discussion by the Board and feedback by Owen Stewart who had attended the EVH pay awards meeting, the Board of Management unanimously agreed to the proposed three year pay deal.

DECIDED

The Board of Management noted the GWSF FOI session and the remaining contents of the report.

NOTED

6. REGULATORY ENGAGEMENT

6.1 New Regulatory Framework

Charles Turner advised the main items for consideration and discussion were the newly published Scottish Housing Regulator (SHR) Regulation of Social Housing in Scotland Framework, the Assurance Statement for submission by the end of October 2019 and the impact on the organisation of BREXIT.

Charlie summarised what was different in the new Framework in that there were now seven instead of six standards. Organisations were required to adhere to and expected to produce an Assurance Statement based on them and be able to provide and demonstrate supporting evidence. There were also a few other slight and subtle changes. Charlie invited Board members to consider and comment of each standard. Board members commented and discussed as follows:

Regulatory Standard 1

- The Business Plan, the strategy contained in it, how tested and outcomes from tenant satisfaction surveys which provided transparency and gave detailed financial information.
- Decision making which is collective and unanimous with only rarely a vote required.
- Outcomes and decisions are clearly noted and recorded in approved minutes.
- The Code of Conduct clearly sets expected behaviour and particularly confidentiality.
- Declarations of interest is a standard item on all items and the Board confirmed their understanding of why this appears on every Board agenda and why this is a supplement to the annual declarations of interest.

Regulatory Standard 2

- Minutes, information and publications are posted on the website with Board members satisfied at the work progressing for compliance of the Freedom Of Information (FOI) regulations.
- Survey feedback from tenants and factored owners, particularly the recent rent consultation and use of App technology and the work in progress to consult with applicants and future tenants.
- Shared information for regulatory partners e.g. SHR, OSCR, FCA, Companies House, funders.

Regulatory Standard 3

- Tenant opinions from the rent consultation were accepted with affordability identified as the biggest challenge for tenants.
- Impact of Universal Credit and payment delays causing higher levels of rent arrears.
- Treasury Management Strategy which is periodically reviewed.
- Understanding of the links between lenders covenants and rent charges by Board members, community and scrutiny groups and tenants.

- The quality of financial narratives and information for published documents.
- Methods of communication to evidence and demonstrate accountability.
- Looking after employees to ensure career progression, retention and recruitment.
- Be implicit in consulting with tenants on rents.

Regulatory Standard 4

- Reports have evolved with robust detail and different types of comparisons e.g. groups or previous data.
- Continuous training for Board members to improve knowledge and technical ability.
- The Board members role, to challenge and ask questions.
- Acknowledgement and use of the specific skills of Board members e.g. finance, tenant, audit, HR, H&S, data analysing, research, etc
- The appraisal system to check and identify knowledge, skills and training.
- Detailed presentation slides to support report information.
- Benchmarking against budget.
- Robust programmes and reporting of internal and external auditing.

Regulatory Standard 5

- The Board of Management accepted that there is currently not a policy in place to deal with any possible severance payment. Staff were asked to bring forward a policy for the Board's consideration at a future date.

Regulatory Standard 6

- Succession planning in place for Board members.
- Succession planning for employees had been highlighted and actioned through the Investors In People process however more complex in practice and not necessarily able to control if employees unexpectedly leave.
- Analysis and mapping of skills and knowledge of staff and Board members.
- Open recruitment policy for employees.
- Board members election determined by the governing Rules.
- Training and upskilling of Board members and employees.

Regulatory Standard 7

- This is a new standard which Board members expressed their confidence that Tenue was strong on many of its features.

Derek Quinn thanked Board members for their questions and comments of which he had noted 54 were made.

The Board of Management noted the requirement of an Assurance Statement which will focus on the contents of this Framework and the work by the Internal Auditors to produce a report for the Audit and Risk Sub-Committee to scrutinise and recommend to the Board the contents of the Statement by the end of the summer.

NOTED

6.2 Correspondence Re Brexit

Charles Turner explained the Scottish Housing Regulator (SHR) had issued a letter asking RSLs to look at potential risks which could affect their organisation on BREXIT.

John Russell gave a presentation detailing the following:

- The SHR letter stressing the importance of organisations meeting “**Regulatory Standard 3 – The RSL manages its resources to ensure its financial wellbeing.**”
- The Bank of England’s (BOE) 87 page report used to inform the House of Commons and based this presentation on the worst case scenario – no deal and disorderly exit.
- The Business Plan containing our ten existing “sensitivity” tests and presented three additional BREXIT scenarios.
- The impact on our finances for the short to medium term on cash flow for each of the three scenarios against our base model.
- The long term impact on cashflow.
- The impact on lenders covenants.

John Russell concluded:

- The business could withstand increases in both inflation and interest rates to the levels in the BOE report provided rents increase in line with inflation.
- Cash would remain positive throughout although years 13 and 16 possibly too low. Still time to address this dip.
- Covenants would continue to be satisfied although the interest cover headroom would reduce due to rising costs.
- If rents could not rise in line with inflation plus 0.5% in years 2 and 3 and remain instead as per the Business Plan assumptions then significant savings would be required to maintain finances in line with the current base plan.

John invited questions and comments from Board members on the presentation and the following was noted:

- In the case of a no deal scenario the potential savings of £670k would be required annually for a period of 30 years totalling in excess of £20m at current prices over the 30-year period.
- The reduction in house prices would potentially affect the valuation of our housing stock.
- There was time to take action to minimise and reduce risk.

Charles Turner referred to the letter issued by the SHR and asked the Board of Management following the presentation if they were satisfied and confident in meeting Regulatory Standard 3. The Board of Management agreed they were satisfied and confident in meeting Regulatory Standard 3. They also considered the content of the letter and concluded that the association has understood the scenarios and risks, and there is no immediate risk to its stability or viability with regards to its long term business plan. Therefore there is no requirement to advise the Regulator of a potential notifiable event.

DECIDED

7. REVIEW OF HOUSING BAD DEBTS

Brian Gannon referred to the report which detailed the various breakdowns and criteria for bad debts and advised an analysis against budget provision had been completed.

The Board of Management approved the write-offs of housing bad debts as detailed in the report and also expressed their appreciation for the tremendous job by staff to minimise arrears and write-offs and asked that this sentiment was passed on to them.

DECIDED

8. ANY OTHER COMPETENT BUSINESS

8.1 Audit and Risk Sub-Committee

Charles Turner indicated the meeting date for the Audit and Risk Sub-Committee had been rescheduled from the 7 May to Tuesday 28 May 2019 to enable the Auditors to complete their report on the new Regulatory Framework and Annual Assurance Statement.

NOTED

8.2 Health and Safety Awareness Training for Board Members

Charles Turner announced West of Scotland Housing Association were having an health and safety training session for Board members on Thursday 4 April 2019 and Board members interested in attending to contact Ray Macleod or himself.

NOTED

9. DATE OF NEXT MEETING

The next meeting will be held on Tuesday 16 April 2019 at 6.00pm.

NOTED

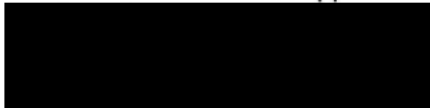
Apologies in advance were given by Maureen Dowden and Filbert Musau.

NOTED

The meeting concluded at 7.55pm.

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

Derek Quinn:



Date:

16.04.2019

