

**Meeting of the Board of Management to be held
on Tuesday 23 November 2021
at 6pm via Microsoft Teams or in person at 423 London Road**

AGENDA

- | | | |
|--|---------------------------|------------------------|
| 1. Apologies | Lead person | To note |
| 2. Declaration of interests | Pauline Casey | To note |
| 3. Minute of meeting held on 26 October 2021 | Pauline Casey | For approval |
| 4. Matters arising from meeting on 26 October 2021 | Pauline Casey | For approval |
| 5. Quarter two operational performance: | | For approval |
| 5.1 Quarterly performance report | Charles Turner | |
| 5.2 Management Accounts | Lesley-Anne Junner | |
| 5.3 Loan Portfolio report | Lesley-Anne Junner | |
| 5.4 Variable rate loans, (LIBOR to SONIA) | Lesley-Anne Junner | |
| 6. 2021 Assurance Statement - action plan | Charles Turner | For decision |
| 7. Business plan going forward: | | For decisions |
| 7.1 Outcomes from planning day, (20 November) | Charles Turner | |
| 7.2 Outline budget for 2022/23 | Lesley-Anne Junner | |
| 8. Development matters: - | Eleanor Derbyshire | For decisions |
| 8.1 Our Development process: from 'here' to 'there' in 8 not so easy steps! - Presentation | | |
| 8.2 Craighead Avenue Tender | | |
| 8.3 Ruchazie Place, potential project in Cranhill | | |
| 9. Chief Executive's report | Charles Turner | For decision |
| 10. Subsidiary and other draft minutes: | | |
| 10.1 Health & Safety Committee, 1 November 2021 | | For information |
| 10.2 Staffing Sub-Committee, 9 November 2021 | | |
| 11. Any other competent business | Pauline Casey | |
| 12. Résumé of meeting | Pauline Casey | To note |
| 13. Date of next meeting Tuesday 8 February 2022 | | |

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 23 November 2021 at 6.00pm
within 423 London Road, Glasgow, G40 1AG and remotely on Microsoft Teams**

Present: Pauline Casey (Chairperson), Allan Anderson, Linda Chelton, Maureen Dowden, Abdifatah Hayde, Robert Kelly, David Keltie-Armstrong, Bryan McMahon and Florence O'Hale

Observing: Owen Stewart

Attending: Charles Turner, Lesley-Anne Juetten, Gary Naylor, Eleanor Derbyshire, Sharon Craig-McLeary and Ray Macleod

1. APOLOGIES

Apologies were received from Howard Mole and Derek Quinn.

NOTED

2. DECLARATIONS OF INTERESTS

There were no declarations of interests noted.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 26 OCTOBER 2021

The minute of the previous meeting held on 26 October 2021 was agreed as a correct and accurate record of the proceedings. The minute was proposed by Bryan McMahon and seconded by Owen Stewart.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 26 OCTOBER 2021

Charles Turner advised the Staffing Sub-Committee had discussed and approved the response to EVH (Employers in Voluntary Housing) regarding the pay negotiations. EVH had issued the collective response proposing holding back to see what happens over the next couple of months with the fluctuating inflation figures and delaying discussions with the Union until January 2022.

NOTED

5. QUARTER TWO OPERATIONAL PERFORMANCE

5.1 Quarterly Performance Report

Charles Turner explained the Annual Assurance Statement submitted in October unfortunately did not contain the November performance figures which reported improvement since Quarter One. Charlie advised the number of red areas of performance had reduced from nine to five with improvement in all but two - houses re-let and re-lets achieved within two weeks. Charlie briefly overviewed each performance target, the changes from red to amber, amber to green, and referred Board members to the notes for further detailed explanation.

Charles Turner invited Board members to ask questions and/or make comment. The following was noted:

- With reference to the improvements in re-active emergency on time and all repairs completed 'right first time', Board members discussed and asked to understand why customer satisfaction with repairs remained low with only a slight improvement? They were also interested in how many, why and how often re-visits took place. Gary Naylor referred to the notes in the report and indicated staff were working closely with Mears to build on the improvements on repairs service delivery following problems with staff absences, caused by covid and isolation, training and materials caused by the pandemic and BREXIT. Gary acknowledged the tenant satisfaction had not improved in the same way and agreed further analysis to report back to the Board. Gary indicated there were industry issues and delays with materials necessitating re-visits and also access due to COVID-19. He also explained the internal staff changes and the introduction of a Senior Repairs Assistant to monitor this performance.

The Board of Management approved the quarterly performance report.

DECIDED

5.2 Management Accounts for the 6 months to 30 September 2021

Lesley-Anne Junner explained there were several changes to the format of the report and welcomed any feedback. Lesley-Anne referred to the highlights on the summary page and gave a more detailed overview of:

- Page 4, high level of income and expenditure.
- A slow restart to the major and cyclical repairs programmes.
- Lower office overheads due to the hybrid working arrangements.
- December will give a better view of the CPI and RPI figures.
- The table of key variances had explanation notes.
- Table 1, giving the Operating Cost Variance.
- Page 7, balance sheet.
- KPIs.
- Lenders financial covenants are comfortable.
- Consolidated figures to include the subsidiary companies highlighted in blue.

Lesley-Anne Junner invited Board members to ask questions and/or make comment. The following was noted.:

- Board members asked why negative goodwill was in the Balance Sheet and what this meant? Lesley-Anne Junner explained the purpose and the reasons for negative goodwill relating to the statutory accounting of assets which were lower than costs at a time when another housing association had transferred its stock.

The Board of Management noted the Management Accounts for the 6 months to 30 September 2021.

NOTED

5.3 Loan Portfolio for the Quarter to 30 September 2021

Lesley-Anne Junner advised there were no major changes or differences from the last report. Lesley-Anne confirmed hedging terms were met and there were no new loans or refinancing.

Lesley-Anne Junner invited Board members to ask questions and/or make comment. There were none.

The Board of Management noted the contents of the report.

NOTED

5.4 LIBOR to SONIA Transition

Lesley-Anne Junner referred to the report which explained the technical financial transition change for tracking loan rates which had been reviewed with our treasury advisors ATFS. Lesley-Anne proposed agreeing to the recommendations of the treasury advisors and delegating responsibility for signing relevant legal documents.

Lesley-Anne Junner invited Board members to ask questions and/or make comment. The following was noted:

- Is SONIA more secure following the issues with LIBOR a few years ago? Lesley-Anne Junner confirmed SONIA was more secure, as it reflected past not future interest rate changes.

The Board of Management approved the recommendations from our treasury advisors ATFS in relation to the transition from LIBOR to SONIA for our variable rate loans and delegated authority to the Executive Team to sign the legal documents actioning the advice.

DECIDED

6. 2021 ASSURANCE STATEMENT ACTION PLAN

Charles Turner referred to approval and submission of the Annual Assurance Statement at the last meeting with the eight identified areas for improvement contained in the circulated action plan. Charlie gave an overview and invited Board members to ask questions and/or make comment. There were no questions or comments.

The Board of Management approved the 2021 Assurance Statement Action Plan.

DECIDED

7. BUSINESS PLAN GOING FORWARD

7.1 Outcomes from Planning Day on 20 November 2021

Charles Turner indicated Saturday's session had been good and productive with not much disparity. Charlie intimated that notes were taken and will be circulated. There had been strong consensus that everyone liked the idea of smaller groups with detailed discussion and the Executive Team going around each table.

Charles Turner invited Board members to ask questions and/or make comment. The following was noted:

- Much better in the Calton Heritage and Learning Centre with the time passing very quickly.
- More focussed and keep the format.
- Good to meet face to face.

The Board of Management noted the outcomes.

NOTED

7.2 Outline Budget for 2022/2023

Lesley-Anne Junner advised she had prepared the outline budget before COP26, the newly released CPI inflation figure and the Business Planning session. The report gives a high-level look and easy to see how the budget has shifted from last year. Lesley-Anne acknowledged there is a degree of uncertainty and it will be very difficult for tenants and the organisation as costs will be rising. Lesley-Anne overviewed the report highlighting:

- P4 comparing the original Business Plan based on a 2.5% rental increase against the revised 2022/2023 plan increasing rents by 3.1%, incorporating a higher CPI figure, hybrid working efficiencies, impact of COVID-19 and BREXIT affecting higher material and labour costs. The differences were also quantified.

Lesley-Anne Junner invited Board members to ask questions and/or make comment. The following was noted:

- Business Plan assumption had been 2.5% what transparency, clarity and reasoning will be given to tenants to justify a 3.1% increase?
- Are recurring cost savings identified and office costs in relation to hybrid working?
- Will break down of rent costs and additional items e.g. bulk uplift be given to tenants.
- Not only financial pressures for tenants but also the association.
- How will the increase be communicated to tenants and focus groups in advance before consultation?
- What effect will 3.1% have on affordability?
- Who receives the communication?
- Lesley-Anne confirmed rent affordability will be checked using the SFHA tool and it is anticipated for the average household an increase of £140 per annum. Lesley-Anne will be looking at the 30-year modelling plan to measure the impact.
- Charles Turner advised each individual tenant will receive the consultation document and meetings arranged with Area Associations and the Scrutiny Panel. The information will be absolutely clear of the reasons for this increase. It is also planned that staff will ask tenants their thoughts when they are in touch.

The Board of Management noted the draft Budget for 2022/23 and agreed the proposed rent increase of 3.1% (CPI) for consultation with tenants.

DECIDED

8 DEVELOPMENT MATTERS

8.1 Our Development Process

Eleanor Derbyshire gave an informative presentation on the development process and how it works. Board members had been emailed a copy for reference. The topics covered included:

- Site identification where and why: Growth strategy, Opportunities, Local Partners, Consultants
- Feasibility could it work? Project brief, consultants, community consultation project proposal
- Acquisitions of Sites: public ownership, private ownership, developer led
- Design Development: Design team, pre-planning process, cost plan
- Detailed Design: specification, statutory consents, tender documents
- Tender – MEAT (most economically advantageous tender), tender grant submission, pre-start, contracts
- Contract Period – programme, cost reports, quality management, final account

- Handovers – allocations, practical completion, defects, tenant satisfaction survey
- Seems straightforward: challenges, pitfalls and other potential mishaps, keeping everyone happy, things change or time. Proactive or Reactive.

Eleanor Derbyshire invited Board member to ask questions and/or make comment. There were none.

The Board of Management noted the contents of the presentation.

NOTED

8.2 Craighead Avenue Tender

Eleanor Derbyshire referred to the report and advised planning consent delays had been due to COVID-19. This development went out to tender this year through our framework and to be awarded to the most economically advantageous tender (MEAT) from CCG Ltd subject to satisfactory offer of grant from Glasgow City Council. The report outlined why tender returns have been more expensive and savings will be required to make it work.

Eleanor Derbyshire invited Board members to ask question and/or make comment. There were none.

The Board of Management authorised:

- Negotiations to make savings on the tender to reduce grant to an acceptable level.
- Use of own resources, if required, to make the project viable.
- Accept the most economically advantageous tender (MEAT) from CCG Ltd, subject to satisfactory offer of grant from Glasgow City Council.

DECIDED

8.3 Ruchazie Place: Potential Project in Cranhill

Eleanor Derbyshire explained the process for this potential developer-led project that has been brought to us by one of our Framework Consultants. Eleanor highlighted the differences from our normal route and reassured Board members she already had successful experience in this type of process.

Eleanor Derbyshire invited Board members to ask questions and/or make comment. The following was noted:

- What is the timescale for bringing back to the Board? Eleanor Derbyshire confirmed once planning consent and partnership arrangements are ready for approval these will be presented to the Board for decision. We will also know then funding and grant details.
- What are the benefits and who owns the development once finished? Eleanor Derbyshire confirmed Thenue will own the properties with the developer receiving the profits. Eleanor advised developers were using this alternative format to protect against not winning tenders.
- What safeguards are in place to protect against contractor liquidation? Eleanor confirmed there will be a Performance Bond in place that insures against insolvency that covers 10% of the contract sum.
- What are the risks? Eleanor intimated the price/cost will have to work for ourselves and the specification. The Contractor will have a degree of risk.
- How do we protect diversity and footprint? Eleanor explained our growth strategy will provide for the way forward for future development of projects and geographical area.
- Charles Turner commented on taking the opportunities as they come, potential sites, working with other associations.

- How experienced are we for exploring different options? Eleanor explained due diligence checks are completed for all development projects.

The Board of Management approved the Head of Property Services to progress the project to the next stages as outlined in the report.

DECIDED

9. CHIEF EXECUTIVES REPORT

Charles Turner indicated there was only one decision required, the cancellation of 11 membership share certificates and note the recently received correspondence from the Scottish Housing Regulator.

Charles Turner invited Board members to ask questions and/or make comment. There were none.

The Board of Management approved the cancellation of the 11 share certificates as detailed in the report and noted the correspondence received from the Scottish Housing Regulator.

DECIDED

10. SUBSIDIARY AND OTHER DRAFT MINUTES

10.1 Health and Safety Committee 1 November 2021

10.2 Staffing Sub-Committee 9 November 2021

Pauline Casey intimated the draft minutes were for information only and any questions to be directed to the relevant Chair or service officer outwith the meeting.

NOTED

11. ANY OTHER COMPETENT BUSINESS

Charles Turner intimated the funeral arrangements for George Alexander and that the family had requested no flowers to be sent.

NOTED

12. RESUME

Charles Turner welcomed the Board questioning and holding staff to account. Commenting Board members had been very perspective and doing their job very well.

NOTED

13. DATE OF THE NEXT MEETING

The next meeting will be held on Tuesday 8 February 2021.

The meeting concluded at 19:43.

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

Pauline Casey
Chairperson



Date: 08 February 2022

