



**Meeting of the Board of Management to be
held on Tuesday 21st June 2022
at 6pm in person in the Boardroom or remotely via Microsoft Teams**

AGENDA

	Lead person	For information or decision
1. Apologies for absence	Pauline Casey	For information
2. Declarations of interests	Pauline Casey	For information
3. Minute of the meeting held on 24th May 2022	Pauline Casey	For approval
4. Matters arising from meeting held on 24th May 2022	Pauline Casey	If required
5. Income Maximisation Policy Handbook - Review	Michael Byrne	For decision
6. Five-year financial projections follow up – Submission to the Scottish Housing Regulator	Helen Sutherland	For decision
7. Loan Portfolio	Helen Sutherland	For decision
8. Revised Budget 2022/23	Helen Sutherland	For decision
9. Major Repairs Reports	Eleanor Derbyshire	For decisions
9.1 Programme 2022/23		
9.2 Kitchens, Boilers and Bathrooms 2022/23		
10. Development Procurement Update	Eleanor Derbyshire	For information
11. Chief Executive’s Report	Gary Naylor	For information
12. Subsidiary Companies and other minutes:	Pauline Casey	For information
12.1 Thenue Communities 16 May 2022		
12.2 Health & Safety Committee 23 May 2022		
13. Any other competent business	Pauline Casey	Discussion
14. Resume of meeting	Pauline Casey	
15. Date of next meeting on 16th August 2022		To note

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management Meeting held on 21 June 2022
at 6.00pm within the Boardroom, 423 London Road, Glasgow, G40 1AG
and remote at various locations on Microsoft Teams**

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

Observing: Owen Stewart and Derek Quinn

Attending: Gary Naylor, Michael Byrne, Eleanor Derbyshire, Helen Sutherland and Ray Macleod

1. APOLOGIES

Apologies were received from Maureen Dowden and Howard Mole.

NOTED

2. DECLARATIONS OF INTERESTS

There were no declarations of interests.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON TUESDAY 24 MAY 2022

The minute of the previous meeting held on Tuesday 24 May 2022 was approved a correct and accurate record of the proceedings subject to the addition of late apologies from Robert Kelly. Proposed by Linda Chelton and seconded by David Kelti-Armstrong.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON TUESDAY 24 MAY 2022

There were no matters arising.

NOTED

5. INCOME MAXIMISATION POLICY HANDBOOK REVIEW

Michael Byrne referred to the summary report and the adjusted document highlighting the changes. The handbook is reviewed every three years with the last review in June 2019. Michael advised this time only minor adjustments were required, checked by the Executive Team and as the amendments meet criteria, consultation with tenants was not necessary.

Michael Byrne invited Board members to ask questions or make comment. The following was noted:

- With reference to the wording for rent 'increase', can this be changed to the word 'review' as there may not necessarily be an increase. Gary Naylor agreed this was a better wording as the outcome may not always be an increase.

The Board of Management approved the revised Income Maximisation Policy Handbook subject to the word change above.

DECIDED

**6. FIVE-YEAR FINANCIAL PROJECTIONS FOLLOW UP
SUBMISSION TO THE SCOTTISH HOUSING REGULATOR**

Helen Sutherland referred to the last meeting agreeing to look further at the figures with Howard Mole prior to submission to the Scottish Housing Regulator.

After discussion and investigation, it was discovered that two of the future developments did not include the full HAG receipts and the relevant correction adjustment was made. The projections were updated and rectified. The projections were submitted on time to the Regulator.

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

- Board members enquired if there was a reason for error. Staff concluded a simplification of workings in the Brixx model had been the reason and this will be addressed in our approach moving forwards.

The Board of Management retrospectively approved the amendment to the Five-Year Financial Projections submitted to the Scottish Housing Regulator but a later agenda item on Major Repair spend will require further discussion.

DECIDED

7. LOAN PORTFOLIO

Helen Sutherland advised the Loan Portfolio Return was due to be submitted annually to the Scottish Housing Regulator. Helen overviewed and explained the various hedged, variable and fixed loans which meet the criteria of our treasury management policy and strategy. The report detailed a breakdown of information, timescales and the number of properties used for security indicating there remained plenty of properties to secure future funding. Sonia rates have replaced LIBOR. Helen indicated a Royal Bank of Scotland loan matures in December 2023 and another in March 2025.

Helen Sutherland invited Board members to ask questions and/or make comment. There were none.

The Board of Management approved the annual loan portfolio information for submission to the Scottish Housing Regulator.

DECIDED

8. REVISED BUDGET 2022/2023

Helen Sutherland explained the reasons for revising the Budget for 2022/2023 as it has become apparent that major repairs budget is different to the required spend, mainly due to underspend and catch up from 2021/2022 and to ensure the life cycle replacement programme is back on track for 2022/2023. Therefore, an increase in expenditure is

required and the Budget adjusted and approved. Helen highlighted several other adjustments:

- The figures used for the Brixx model indicates the rental income is understated and has been corrected.
- Last month the Board of Management agreed savings from the office underspend be added for office and reception improvement
- Re-evaluation of the current temporary posts.

The aim to achieve value for money and efficiencies by reducing surplus, closing cash and using undrawn loan facility with the Royal Bank of Scotland.

Helen Sutherland explained the impact of current liability for 2022/2023 and going into 2023/2024 as opposed to assets with expenditure being moved around. It is anticipated 2025/2026 will correct the situation. Helen proposed to discuss with our treasury advisors any change to capital repayments, loan drawdown and loan covenant compliance. In the meantime, the Royal Bank of Scotland has been contacted to ascertain what their position is as other housing associations are experience a similar situation and changes to covenants have been made. A response is awaited.

Helen Sutherland presented a slide to highlight the exact figures and their whereabouts in the 2022 SHR 5 year Financial Projections and Budget. Helen advised Eleanor Derbyshire would be giving more detail in the following Agenda items.

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

- Explanation and clarification as to why the shortfall of money was so much?
Helen Sutherland confirmed that the final budget had not included some of the major repair spend and also didn't have correct allowance for catch up carried forwards in the model. However, going forward expenditure will be looked at along with any change of structure of loans, potential reduction in capital repayments and money drawdown. Gary confirmed that this looked to be down to an understanding of the Brixx model and errors made during the process of amending.
- Are there enough resources to progress the programme?
Eleanor Derbyshire confirmed there was capacity and the following Agenda items will give explanation.
- Has the outcomes of the revised Budget report been included in the 5 year return to the Scottish Housing Regulator?
Helen Sutherland confirmed that these figures hadn't been in the submission as the shortfall has come to light afterwards, and it was agreed that a discussion with the Regulator will be progressed to inform and seek advice on the next steps. Gary was confident we will be in a stronger position moving forwards, with the correct figures, workings and re-financing if required.

The Board of Management approved:

- The updated Budget 2022/2023 subject to discussions with the Royal Bank of Scotland regarding the interest covenant.
- The revised Budget to be used to update the Business Plan.

- Delegated authority to the Executive Team to discuss and approve any reasonable updates to the covenant to avoid any covenant breaches and discuss with the Scottish Housing Regulator.

DECIDED**9. MAJOR REPAIRS REPORTS****9.1 Major Repairs Programme 2022/2023**

Eleanor Derbyshire referred to the programme of works for replacement of major parts and smaller components. Eleanor confirmed the full programme for this year is inline with expenditure in the revised Budget adjustments.

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

The Board of Management noted the report detailing the Major Repair Programme for 2022-23 and the carry forward of the Major Repair underspend to complete the 2021/22 contract work.

DECIDED**9.2 Kitchens, Boilers and Bathrooms 2022/2023**

Eleanor Derbyshire intimated the report gives a breakdown in various estates of the specific work to be completed. Eleanor advised of the intention to go through the procurement processes with tender returns on 11 July 2022 and requested delegated authority to the Chairperson.

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

The Board of Management approved delegated authority to the Chairperson to review and accept the tender for the kitchen, boiler and bathroom replacement contract and instruct staff to progress the contract.

DECIDED**10. DEVELOPMENT PROCRUREMENT UPDATE**

Eleanor Derbyshire described some issues around procurement with contractors no longer interested or wanting to go through this process. For compliance with policy and regulations agreed frameworks and early tender processes to secure a contractor that will be involved in the detailed design. Eleanor proposed this method for two development projects and evaluate the outcomes of this method. As there is no Board meeting in July delegated authority was requested.

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

The Board of Management authorised delegated authority to the Chairperson to approve the tenders for Connal Street and Tureen Street development projects subject to a satisfactory tender report from Reid Associates.

DECIDED

Eleanor Derbyshire gave an update on the Tureen Street School and application for Heritage Funding through Glasgow City Council. The façade of the building will be kept with a new building behind, however, likely there will be planning issues with parking and amenity space. Glasgow City Council are keen to have this project developed. A different procurement route with much earlier involvement in place will hopefully create value for money.

NOTED**11. CHIEF EXECUTIVE'S REPORT****11.1 Flexible Working**

Gary Naylor advised a draft framework has been developed for discussion with the Operational Management Team prior to sharing with staff. Progressing over the summer for finalising and putting in place.

11.2 Board Appraisals

Gary Naylor intimated a couple of dates have been identified for Board appraisals with the Chief Executive and Chairperson. The appraisal form will soon be available on the website portal and emails will be issued as soon as ready. There will be a number of questions asking for your thoughts and opinions. Suggested an online form to populate a date.

11.3 Recruitment Director of Finance

Gary Naylor thanked Helen Sutherland for her good work and confirmed the recruitment of a permanent Director of Finance, IT and Corporate Services was progressing and this will give further assurance in our financial planning and budget discussions later in the year.

Gary Naylor invited Board members to ask questions and/or make comment.

The Board of Management noted the contents of the report.

NOTED**12. SUBSIDIARY COMPANIES AND OTHER MINUTES****12.1 Thenue Communities 16 May 2022****12.2 Health and Safety Committee 23 May 2022**

Pauline Casey indicated the minutes were for information only and any questions to be directed to the relevant Chair or Lead Officer.

NOTED

13. ANY OTHER COMPETENT BUSINESS

There was no other competent business however comment was made concerning landscaping and gardening in the Calton area as it is looking overgrown and unkempt. A general maintenance tidy is required.

Gary Naylor advised the Contractor is behind schedule and a catch-up programme is in place.

REMIT TO STAFF

14. RESUME OF MEETING

Pauline Casey was glad to see everyone back in person in the Boardroom and apologised to Helen Sutherland for so many questions on the findings and corrections in the Budget. The meeting was slick and prepared!

NOTED

15. DATE OF NEXT MEETING

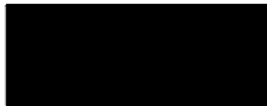
The next meeting will be held on Tuesday 16 August 2022 at 6.00pm.

NOTED

The meeting concluded at 18:58

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

Pauline Casey
Chairperson



Date: 16 August 2022