

**Meeting of the Board of Management to be held at 6pm
on Tuesday 14 March 2023 either in person at 423 London Road
or remotely via Microsoft Teams**

AGENDA

	Lead Person	Decision or information
1. Apologies	Pauline Casey	
2. Declaration of Interests	Pauline Casey	
3. Minute of meeting held on 7 February 2023	Pauline Casey	For approval
4. Matters arising from meeting of 7 February 2023	Pauline Casey	
5. 2023/28 Business Plan	Gary Naylor	For approval
6. Quarterly performance		
6.1 Quarterly performance report	Gary Naylor	For information
6.2 Management Accounts	Barry Allan	and approval
6.3 Loan Portfolio report	Barry Allan	
7. Nationwide Mandate Amendment	Barry Allan	For approval
8. Insurance Renewal Report for 2023/24	Barry Allan	For approval
9. Development Update	Eleanor Derbyshire	For information
10. Springfield Road Development Tender	Eleanor Derbyshire	For approval
11. Subsidiary Companies and other Minutes:	Pauline Casey	For approval and information
11.1 Audit & Risk Committee 31 January 2023		
11.2 Staffing Sub-Committee 8 February 2023		
11.3 Thenue Communities 20 February 2023		
12. Chief Executive's Report	Gary Naylor	For information
13. Any other competent business	Pauline Casey	
13.1 Salary Sacrifice Scheme – Electric Vehicles	Barry Allan	For information
14. Résumé of meeting	Pauline Casey	
15. Date of next meeting Tuesday 18th April 2023		To note

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 14 March 2023 at 6.00pm
in person and remotely on Microsoft Teams**

Present: Pauline Casey (Chairperson), Maureen Dowden, Allan Anderson, Bryan McMahon, David-Keltie Armstrong, Linda Chelton, Howard Mole and Robert Kelly

Attending: Gary Naylor, Michael Byrne, Eleanor Derbyshire, Barry Allan, Ray MacLeod and Nikita Watson

1. APOLOGIES

Apologies were received from Abdifatah Hayde and Derek Quinn.

NOTED

2. DECLARATIONS OF INTERESTS

There were no declarations of interest.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 7 FEBRUARY 2023

The minute of the previous meeting held on 7 February 2023 was agreed as a correct and accurate record of the proceedings. The minute was proposed by David Keltie-Armstrong and seconded by Allan Anderson.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING OF 7 FEBRUARY 2023

There were no matters arising.

NOTED

5. 2023/28 BUSINESS PLAN

Gary Naylor thanked everyone for participating in the Business Planning Session in November 2022 and summarised the contents that require the Board's attention, including new Purpose and Vision statements. Gary Naylor explained the strategy includes five new strategic themes which are Customers, Homes, Communities, People and Partners. Under each strategic theme there are a number of objectives that will enable Thenue to deliver its strategic outcomes and this is detailed in Section 4 of the Business Plan. The Operational Context section outlines both current and anticipated operational context which may affect Thenue's operating environment including energy prices and cost of living. Section 7 looks at Thenue Business Objectives which the Executive Team will look at regularly throughout the year and update. From March 2021, all properties that fail to meet ESSH standard now require to be reported as SHQS failures and Gary Naylor confirmed our ARC return for 2021-2022 was updated to include this.

Gary Naylor invited the Board Members to ask questions and/or make comment. The following had been noted:

- Board Members asked for more information on the Stock Condition Surveys. Gary Naylor explained it was proposed a 20% selection is surveyed annually to provide a more accurate reflection on the condition of Thenue Stock and to align with the ARC report.
- Board Members raised concerns about change of leadership in Government and how this will affect the Association. Gary Naylor confirmed this is referenced in the Business Plan as it may affect our operating environment and is out with our control.

The Board of Management approved the 2023/28 Business Plan.

DECIDED

6. QUATERLY PERFORMANCE

6.1 Quarterly Performance Report

Gary Naylor referred to the quarterly report and confirmed the report currently includes eight red areas. Despite there being no reduction in the overall number of red areas many of the figures within the KPIs had improved, particularly in relation to reactive repairs. There had been an improvement on factoring charges in the last quarter and the Factoring Assistant post will be advertised to further improve the collection of charges. Non-emergency repairs on time had increased since the last quarter. Gary Naylor confirmed the main issues with non-emergency repairs on time had been contractor staff retention and material delays. There had been continuous monitoring of performance and discussions with the contracts manager. Reactive emergency repairs on time had dipped from last quarter due to the cold snap in December which then caused delays in attending and making safe emergencies. All repairs completed 'right first time' had increased 9.8% since last period. Customer satisfaction is back to 90%. Gary Naylor intimated that there had been a large amount of progress to turning this around. Electrical testing is 74% this period, new contractor now on site and improving this figure. Percentage let within two weeks is just below target, Gary Naylor confirmed this is mainly due to the volume of lets as new build sites came online. This should improve next quarter.

Gary Naylor invited the Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved the quarterly performance report.

DECIDED

6.2 Management Accounts

Barry Allan explained the following in the Management Accounts:

- The accounts show that the Association had generated an operating surplus and represented an improvement.
- Void loss is lower than anticipated.
- There are lower than anticipated overall Repairs costs although reactive and void spend are overspent.
- There are lower than anticipated loan interest costs.
- There are lower than anticipated Offices & Corporate overhead costs.
- The cash balance has increased slightly from last report.
- All financial covenants are satisfied.

Barry Allan invited the Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved the Management Accounts for the quarter ended 31st December 2022.

DECIDED

6.3 Loan Portfolio Report

Barry Allan outlined the report and confirmed that the report showed the total balance outstanding had increased at 31st December 2022 compared to the balance at 30th September 2022. This increase is due to a drawdown in the quarter less capital repayments. The loans position at 31 December 2022 shows a total of 59% of the balance being hedged with 41% remaining unhedged which is in line with the overall limits set down within the Treasury Management policy and is consistent with the current years treasury strategy agreed by the Board in March 2022.

Barry Allan invited the Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management noted the contents of the report.

NOTED

7. NATIONWIDE MANDATE AMENDMENT

Barry Allan intimated that Nationwide recently requested that a new mandate to reflect the current profile of the Executive Team be prepared, as they did not have a current mandate on file. A mandate form had been prepared with the following signatories:

- Gary Naylor
- Barry Allan
- Michael Byrne
- Eleanor Derbyshire

The mandate required to be signed by the Chairperson to confirm that the Resolution was passed at a meeting at which a quorum was present.

Barry Allan invited the Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved the Authorised Signatories and the mandate be updated.

DECIDED

8. INSURANCE RENEWAL REPORT FOR 2023/24

Barry Allan explained the report documented that the cost of the premium had increased by 19.6%. This is due to a combination of inflation and increase in the number of properties. Barry also advised that other housing associations were experiencing large premium increases.

Barry Allan invited the Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved the level of insurance cover required by the Thenue Group for 2023/24.

DECIDED

9. DEVELOPMENT UPDATE

Eleanor Derbyshire detailed the current positions with our Development Programme and provided initial information on potential future projects:

- Abercromby St – Cost overrun mainly due to issues with reclassification of the contaminated land and the requirements of Building Control. Thenue has agreed with GCC NRS that we will submit an interim Grant Completion in March to claim grant towards unforeseen costs. Cruden has suffered a number of Covid related delays and the Contract Administrator awarded them an extension time of 23 weeks to 24/1/22. They have since requested further Extension time with costs to the practical completion date and these have been assessed by the Contract Administrator and refused. Thenue has issued a Pay Less Notice outlining our counter claim from the revised contract date of 24/1/22. It seems likely that a dispute will be raised, and we will require to enter into an adjudication. GCC NRS are aware of this and will be submitting a further Grant Completion on the conclusion of any dispute.
- Landressy Place – Project was delayed due to the original contractor, CBC going into administration. We started on site again with a new contractor, McLaughlin Construction. The Contract Administrator has agreed to an extension of Time to 13/1/23. We expect further EOT due to delays caused by service installations and the site is likely to be completed around May 2023.
- Craighead Avenue – We started on site in April 2022 with 18 new homes delivered on time and on budget with no requirement of Extension of Time or any costs.
- 44 Dalmarnock Road – The project at 44 Dalmarnock Road had been redesigned on two occasions, in line with comments from Planning and GCC NRS, and reduced from 12 to 10 units, in an effort to reduce overall cost of the construction. The original contractor went into administration and the project was re-tendered. The second contractor also went into administration and a further tender was issued in January 2022. Due to the high cost and significant level of grant funding required, GCC referred the application to Scottish Government for a decision. The contractor has confirmed that they are still interested in progressing the project. This project will utilise a Design and Build contract.
- Ruchazie Place – Thenue has a scheme agreement from GCC NRS and approval of the flat and site layout from their technical team. The project was submitted for planning consent but was refused. The developer has submitted an appeal to GCC and the outcome of this is awaited.
- Springfield Road – Thenue carried out a feasibility study on the site for a large-scale development in 2017/18. The council found a number of title issues over the site which had reduced the size of site available to develop at this time. We have acquired the smaller site and are negotiating with GCC Planning on a consent for 41 new homes. We have appointed a contractor on a Design and Build basis and envisage a site start early in 2023/24. A separate report will be provided to the Board to approve the tender and grant.
- Tobago Street – This land is in multiple ownerships. Two sections are in Council ownership and discussions to continue to acquire these in the future. Acquiring the GCC site could allow negotiations to progress with the various other private interests. It may be possible to gain assistance from Clyde Gateway to unlock some of this site. This will be a long-term project. There is also the potential to partner with a Developer to acquire the site and this is being investigated.
- Tureen St – GCC NRS would like us to develop the school building at Tureen St site for new housing using a ‘façade retention’ to maintain the built heritage if this can be designed within grant parameters. To assist in meeting the substantial redevelopment costs, GCC had previously submitted two applications to the Scottish Government’s Vacant and Derelict Land Fund for grant to carry out enabling works to make the project more financially viable but have been unsuccessful. Thenue, with support from GCC, made an application in September 2022 to the Scottish Government’s new Vacant and Derelict Land Infrastructure Programme,

unfortunately this application was not successful and feedback from Scottish Government on the bid has been sought. A grant allocation from the fund would allow us to progress this development, as it would offset the costs of the façade retention element. We are continuing discussions with GCC on how this project might be funded in the future.

- Pipeline Programme - The Development Team continually scope prospective new developments that could fit into our future programme and meet our agreed Strategic Objectives around homes. We work with local partners, consultants and contractors/developers to identify suitable sites and projects. The traditional route of identifying a site, carrying out feasibility studies, acquiring and tendering is very time consuming and has higher potential risks. Thenue have mainly acquired sites from GCC through nominated disposal but there are far fewer of these sites now available, and we are now more likely to be competing with private developers to acquire sites on the open market. Projects that are developer-led, with them taking the risk on acquisition, statutory consents etc. are likely to form a larger part of the programme going forward.
- Springfield Road (Phase 2) – This site could provide a further 95 homes but will require GCC Legal to resolve the title issues and provide a clean title acquisition. There is also currently a GCC Depot on part of the site which is still in use, and unlikely to be available for development until around 2025/26.
- East Living, Dalmarnock – This is a developer led project with CCG Homes. 70 flats are potentially being developed for Thenue, and the rest of the houses for private sale by CCG Homes. We have had initial discussions with GCC NRS on funding, and with Planning on the design for the development.
- Duke Street, Haghill – The project has been brought to us by AS Homes. They would acquire and develop the site under a Design and Build contract, with the potential for around 70 new homes. This project is in the initial stages with further information to be provided to the Board in due course.
- Anson House, Bridgeton – Clyde Gateway have acquired an empty office building on London Road, close to Bridgeton Cross and plan to demolish this. They also own the land to the south of this on Anson St. The land to the East is the site of a demolished tenement and Clyde Gateway intend to ask GCC to promote a Compulsory Purchase Order to acquire this parcel of land. This would provide a large corner site with the potential to develop around 45 new flats. We are in initial discussions with Clyde Gateway to acquire this site for development in the future, once the ownerships are resolved.

Eleanor Derbyshire invited the Board Members to ask questions and/or make comment. The following had been noted:

- Board Members agreed the report was really well written and congratulated Eleanor and her team.
- Board members through their own working experiences endorsed AS Homes feeding back that projects had been delivered on time and within budget.

The Board of Management noted the contents of the report.

NOTED

10. SPRINGFIELD ROAD DEVELOPMENT TENDER

Eleanor Derbyshire confirmed progression had been ongoing for the project at Springfield Road, Dalmarnock for the development of 41 properties. The project had received an offer of grant from GCC NRS, in line with our financial appraisal. The report recommended approval of CCG to be the contractor for the project.

Glasgow City Council (GCC) Planning may insist on a change to the Heating Strategy before issuing the planning consent and this is being discussed. Should this be required, GCC NRS have agreed to increase the grant offer in line with any increased costs required.

Eleanor Derbyshire invited the Board Members to ask questions and/or make comment. The following had been noted:

- Board Members raised concerns regarding what implications this may have for other projects. Eleanor Derbyshire explained working with Clyde Gateway on this and other projects will have a standalone system.

Board Members approved the tender sum and grant offer for the development at Springfield Road and instructed the Property Services Team to appoint CCG Ltd as contractor, subject to receipt of Planning Approval.

DECIDED

11. SUBSIDIARY COMPANIES AND OTHER MINUTES

11.1 Audit & Risk Committee 31 January 2023

11.3 Thenue Communities 20 February 2023

Pauline Casey intimated the draft minutes were for information only and any questions or comments to be directed to the relevant Chair or lead officer out with the meeting.

NOTED

11.2 Staffing Sub-Committee 8 February 2023

Pauline Casey confirmed the Staffing Sub-Committee had been disbanded therefore the minute required formal approval by attendees. Proposed by Maureen Dowden and seconded by Brian McMahon at this Board meeting.

DECIDED

12. CHIEF EXECUTIVE'S REPORT

Gary Naylor overviewed the report and listed the ongoing Board training and conference events as follows:

Board member training

- West of Scotland Housing Association recently opened up training sessions for the Board members of other local housing associations to attend. The first of these sessions was on Board Roles & Responsibilities but was unfortunately cancelled due to lack of interest. It is unclear at the moment if this session will be rearranged. As soon as we know more this will be shared and communicated.
- The following two sessions are planned to go ahead. The first session is Climate Change on Thursday 16th March 2023 at 5:00pm via Teams. Four of our Board members have confirmed their attendance and West of Scotland have issued the joining instructions directly. The second session is Equalities Impact Assessments on Wednesday 22nd March 2023 at 6pm via Teams. Three of our Board Members are currently confirmed as attending.

Mears

Gary Naylor explained at the February Board meeting the Board agreed to a 15% uplift for the coming year, applicable from 1st April 2023. It is noted that this uplift does not sit comfortably given the poor performance over the last 12 months at least. Mears have requested an additional 4%, this has been refused and our final stance is for 15% uplift for 2023/24. The 15% will be applied immediately from the 1st April 2023, improving the cashflow situation in real time. In terms of the

yearly review of the repairs contract, there is still a need to look at the other elements, such as performance and voids, this will still take place.

Gary Naylor invited the Board Members to ask questions and/or make comment. There were no questions and one comment noted:

- Board members who have current housing experience verified the performance was going in the right direction and it is a difficult time for repairs performance in the housing sector.

The Board of Management noted the contents of the report.

NOTED**13. ANY OTHER COMPETENT BUSINESS**

Barry Allan explained Thenue is looking to encourage use and utilise electric vehicles through a salary sacrifice benefit scheme to employees and will be using Pike + Bambridge to arrange the leasing and insurance of these vehicles.

Barry Allan invited the Board Members to ask questions and/or make comment. The following had been noted:

- Board Members asked if this would be a private lease. Barry confirmed yes and Thenue will ensure individual one on one sessions will look at staff finances to ensure an individual's salary won't go below the minimum wage.
- Board Members are happy with the low interest rate and encouragement of staff to use electric vehicles. This is a good sustainability for our carbon footprint plan.

The Board of Management approved the signing of the mandate with Pike + Bambridge.

DECIDED**14. RESUME OF MEETING**

Pauline Casey thanked everyone for attending.

NOTED**15. DATE OF NEXT MEETING TUESDAY 18TH APRIL 2023**

The next meeting will be held on Tuesday 18th April 2023 at 6:00pm

NOTED

The meeting concluded at 18:49pm

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



Pauline Casey
Chairperson

Date: 18 April 2023