

**Meeting of the Board of Management to be held at 6pm
on Tuesday 15 March 2022 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	For information
3. Minute of meeting held on 8 February 2022	Pauline Casey	For approval
4. Matters arising from meeting of 8 February 2022	Pauline Casey	For decision
5. 2022/27 Business Plan	Charles Turner	For decision
6. Quarterly performance		
6.1 Quarterly performance report	Charles Turner	For approval
6.2 Energy performance (certificates and standards)	Eleanor Derbyshire	
6.3 Management Accounts	Lesley-Anne Junner	
6.4 Loan Portfolio report	Lesley-Anne Junner	
7. Review of housing bad debts	Gary Naylor	For approval
8. Annual Review of Insurance Cover	Lesley-Anne Junner	For approval
9. Treasury Management Strategy for 2022/23	Lesley-Anne Junner	For approval
10. Subsidiary Companies and other Minutes:	Charles Turner	For information
10.1 Audit & Risk Committee, 1 February 2022 #		# = draft minute
10.2 Staffing Committee, 1 February 2022 #		
10.3 Health & Safety Committee, 14 February 2022 #		
10.4 Thenue Communities, 21 February 2022 #		
11. Any other competent business	Charles Turner	
12. Résumé of meeting	Pauline Casey	
13. Date of next meeting Tuesday 19 April 2022		To note

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting on Tuesday 15 March 2022
at 6.00pm remotely on Microsoft Teams and/or
in person at 423 London Road, Glasgow, G40 1AG**

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

Observing: Owen Stewart and Derek Quinn

Attending: Charles Turner, Gary Naylor, Eleanor Derbyshire, Lesley-Anne Junner and Ray Macleod

1. APOLOGIES

Apologies were received from Allan Anderson.

NOTED

2. DECLARATIONS OF INTERESTS

There were no declarations of interests.

NOTED

3. MINUTE OF THE PREVIOUS MEETING HELD ON 8 FEBRUARY 2022

The minute of the previous meeting held on 8 February 2022 was approved as a correct and accurate record of the proceedings subject to the addition of Eleanor Derbyshire and Ray Macleod who had attended the meeting and a spelling correction to Bryan's surname McMahon. The minute was proposed by Maureen Dowden and seconded by Linda Chelton.

APPROVED

4. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 8 FEBRUARY 2022

There were no matters arising.

NOTED

5. 2022/2027 BUSINESS PLAN

Charles Turner presented for approval the 2022/2027 Business Plan. Highlighting:

- The three main sections – plan, finances and 3.1% rent increase agreed at last month's meeting.
- The timetable for the approval process.
- The key financial figures supporting the Plan.
- Operational context and priorities covering our mission, vision, values, pandemic, fuel costs, energy efficiencies, homeworking, communications and cost of living increases.
- The Thenue Group including our subsidiaries.
- Growth potential with 122 new units in the current programme and in the future potentially 156.

- Procurement of buildings works and services to ensure value of money.
- Community Regeneration to support our communities and Area Associations.
- Four high risk priorities of poverty, repairs, treasury management and sandstone tenements.
- SWOT analysis.
- Investors in People achieved Platinum and the six point action plan going forward.
- Compliance and/or performance with the Scottish Housing Regulators six areas of priority.
- The staff complement approved by the Staffing Sub-Committee.
- Our governance and decision-making structure.

Lesley-Anne Junner presented the Budget highlighting:

- The changes in the key assumptions comparing this year with last year's budget.
- Energy Efficiency Standard for Social Housing (ESSH2), the new regulatory requirement, initial cost estimates factored into the 5 year plan and potential re-financing over 10 years.
- The impact ESSH2 will have on cash flow recognising that many other housing associations will have the same issues with affordability.
- Cash flow base plan with spikes in cash as loans are paid off.
- Satisfactory bank covenants.
- Planning of five different scenarios testing the base model and clearly demonstrating a rent freeze is not financially viable.

Charles Turner summarised the conclusions and invited Board member to ask questions and/or make comments. The following was noted:

- In response to an email received in advance concerning the procurement policy and procedure, Charles Turner confirmed the finalised Business Plan will be amended to the correct terminology to reflect the current words for procurement and tenders.
- Understanding and clarification was sought with regards to justification and potential unexpected or unnecessary additional costs of a refinancing exercise for loans. Lesley-Anne Junner explained and re-assured Board members the purpose of the exercise was to look at what is in place in our portfolios to ensure the best use of loans and make adjustments if required. There was no intention to end or fully re-negotiate existing loans.
- There were a few typos identified which will be corrected and some clarification requested on vacant posts in the staff structure and pay increase. Charles Turner indicated an update on the staff structure is later in the Agenda and advised EVH were negotiating with the Unions on the annual pay increase.
- Board members acknowledged the pressures on fuel poverty and the potential knock on issues with rent arrears.

The Board of Management approved the 2022/2027 Business Plan subject to the terminology amendments in the procurement section.

DECIDED

Charles Turner advised of a meeting with the Scottish Housing Regulator giving an opportunity for himself and Gary Naylor to meet with them before he retired and the Business Plan submitted.

NOTED

6. QUARTERLY PERFORMANCE

6.1 Quarterly Performance Report

Charles Turner referred to the report, the dashboard and notes. The areas of concern were highlighted in red. Charlie commented on the Complaints figure of 92% which will be unchanged for this financial year. There continued to be disappointment in the repairs performance and Gary Naylor referred to the explanatory notes and gave some background information on the situation as follows:

- Q2 came out of lockdown and caught up. However, internally we became overwhelmed with the volume of repairs as people were happier to report. Two new Repairs Assistants were employed to handle calls and feedback on status.
- Q2 end saw costs increasing, material delays and contractor competition with retaining staff which became worse in Q3 and contractors missed targets.
- Right first time was difficult although with change in admin were able to manage by keeping tenants informed.
- Repairs were not always complete on time due to lack of resources with contractors and there had been an increase in costs. A temporary increase of 4% on Mears invoices was agreed until the end of March 2022 but ongoing increases rely on performance improving.
- Contractor communication requires to be improved by advising tenants if they are unable to attend.
- A planner with the contractor is being recruited and we need confidence they can manage the contract.
- Q4 should see an improvement and hopefully the worst has passed.
- Challenging conversations have taken place with the contractor and investigation of back up support to minimise this situation happening again.
- Signed up to a framework to tender a backup contract and aim to tie in with job targets.
- Void management is good in comparison to other associations.

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

- Board members have observed the industry and asked if a 4% increase or more is a temporary situation? Gary Naylor advised there would be a number of conversations with the contractor in the next couple of weeks and it was unclear at the moment the level of increases however this would be reported back as negotiations are completed and value for money is assured.
- Within contracts what are the penalties and terms for poor performance as tenants and targets are impacted therefore damaging our reputation? Gary Naylor confirmed there was an annual review of contracts, incentives to perform well and provision to walk away from certain elements of the contract. Aiming to have a backup contractor.

The Board of Management approved the quarterly performance report.

DECIDED

6.2 SHQS Compliance for ARC Reporting

Eleanor Derbyshire advised the ARC Return technical guidance this year includes a new element for the testing of electrical installations and the report reviewed SHQS compliance. Eleanor gave details of properties in abeyance, the reasons for not meeting EESSH1 standards and the EPC project to identify compliance. The current contractor for the electrical testing programme has struggled with delivery and the new backup contractor will be catching up on the work over the next year. Eleanor Derbyshire invited Board members to ask questions and/or make comment. There were none.

The Board of Management noted compliance issues were part of the negotiations with the current contractor and tender of a backup contractor. They also noted the contents of the report.

NOTED

6.3 Management Accounts for the 9 months to 31 December 2021

Lesley-Anne Junner intimated the budget was as expected generating a surplus as there has been an underspend in development projects due to shortages of staff and materials with contractors which will roll over to the next financial year. With a higher surplus, after catch-up finance will return to normal. Lesley-Anne confirmed a strong balance sheet, KPIs were on target and loan covenants all met. Lesley-Anne Junner invited Board members to ask questions and/or make comment. There were none.

The Board of Management noted the management accounts for the 9 months to 31 December 2021.

NOTED

6.4 Loan Portfolio Report

Lesley-Anne Junner advised there were no changes or amendments to the repayment of existing loans and there was a breakdown of each loan detailed. Lesley-Anne Junner invited Board members to ask questions and/or make comment. There were none.

The Board of Management noted the loan portfolio report.

NOTED

7. REVIEW OF HOUSING BAD DEBTS

Gary Naylor intimated this was the second time in the year the report had been produced to write-off debts. Some of the figures were higher due to the delay in timescales during the pandemic. Gary Naylor invited Board members to ask questions and/or make comment. The following was noted:

- In Appendix 3 Gary Naylor agreed to add a termination date column that will give an indication of the age of the debt.

The Board of Management approved the write-off total value of debts detailed in the report and the addition of the termination date column.

DECIDED

8. ANNUAL REVIEW OF INSURANCE COVER

Lesley-Anne Junner referred to the report which was the annual review of insurance cover, included a small increase mainly for cyber security and reference to COVID19 in policies re-assuring Board members for loss of business and safety processes to be in place. Lesley-Anne Junner invited Board members to ask questions and/or make comment. The following was noted:

- In relation to heightened levels of cyber-attacks, Lesley-Anne re-assured Board member there have been no IT breaches, have a dedicated specialist testing our systems, have an IT policy for staff and training processes.

The Board of Management approved the level and scope of insurance cover required by the Thenue Group for 2022/23.

DECIDED

9. TREASURY MANAGEMENT STRATEGY FOR 2022/2023

Lesley-Anne Junner advised this was an annual review and referred to the recommendations in the summary sheet and invited Board members to ask questions and/or make comment. There were none. The Board of Management agreed the five specific recommendations.

DECIDED

10. SUBSIDIARY COMPANIES AND OTHER MINUTES

- 10.1 Audit and Risk Sub-Committee 1 February 2022**
- 10.2 Staffing Sub-Committee 1 February 2022**
- 10.3 Health and Safety Committee 14 February 2022**
- 10.4 Thenue Communities 21 February 2022**

Pauline Casey announced the minutes were for information only and any questions to be directed to the relevant Chair or Officer outwith the meeting.

NOTED

Lesley-Anne Junner left the meeting at this point.

11. ANY OTHER COMPETENT BUSINESS

Charles Turner intimated that it had been the first time in a number of years there hasn't been in a Chief Executive's report in advance of the meeting and indicated that a number of events had occurred only within the past few days. He then went on to explain them as follows:

- Sad news that Charlotte Levy was receiving end of life care and he had visited her in hospital.

NOTED

- Head of Finance, Lesley-Anne Junner is leaving and will be in post until the end of April. Temporarily for three months Helen Sutherland who is already leaving Barrhead Housing Association will fill the post. Helen's purpose will be to focus on the association's finance and straddle both the posts of Head of Finance and Finance Manager for a short period. This will allow Gary Naylor time to settle into his new post as Chief Executive and the new Director of Community Housing Services to start. A tender process had started to recruit an external company for the permanent recruitment of a Director of Finance, IT and Corporate Services.

In response to Board member questions, Charlie confirmed there were good IT and Corporate Services Managers in place to enable Helen to focus on the annual external audit and year end accounts. The IT and Corporate Services Managers do not require to take on additional duties and the former Finance Manager following serious illness is unable to take on the role.

NOTED

- Gary Naylor updated Board members on the Director of Community Housing Services recruitment advising that the process was coming to an end and feedback will be given soon to the whole Board. Due diligence checks are being completed and it was agreed that an email be circulated to inform Board members of an appointment.

DECIDED**12. RESUME OF MEETING**

As some Board members are new, Charles Turner explained that Charlotte Levy was a former Chairperson, Vice Chair, Board Member, member of the association, tenant and amazing local community worker. Charlie fondly recounted several stories of Charlotte's time with Thenue.

NOTED**13. DATE OF THE NEXT MEETING**

The next meeting will be held on Tuesday 19 April 2022 at 6.00pm in the Calton Heritage and Learning Centre. As it will be Charles Turner's last meeting before retiring the meeting will be held in person.

NOTED

The meeting concluded at 7.45pm.

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



Pauline Casey
Chairperson

Date: 19 April 2022