

**Meeting of the Board of Management to be held at 6pm
on Tuesday 12 March 2024 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 previous meeting held on 6 February 2024	Pauline Casey	For approval
4. Matters arising from meeting of 6 February 2024	Pauline Casey	
5. Health and Safety Awareness Presentation for Board of Management	Jon Cowlan	
6. Chief Executive's Report	Gary Naylor	
7. 2024/29 Business Plan	Gary Naylor	For approval
8. Quarterly performance		
8.1 Quarterly performance report	Gary Naylor	For information and approval
8.2 Management Accounts	Barry Allan	
8.3 Loan Portfolio report	Barry Allan	
8.4 2024/25 Final Budget	Barry Allan	
9. Housing Management & Finance System Tender Report	Barry Allan	For approval
10. Insurance Renewal Report for 2024/25	Barry Allan	For approval
11. Development Site Acquisition of Grant Offer Report	Eleanor Derbyshire	For information and approval
12. Subsidiary Companies and Sub-Committee Minutes:	Pauline Casey	For approval and information
12.1 Audit & Risk Committee 30 January 2024		
13. Any other competent business	Pauline Casey	
14. Résumé of meeting	Pauline Casey	
15. Date of next meeting Tuesday 16th April 2024		To note

THENUE HOUSING ASSOCIATION LTD

**Minute of the Board of Management meeting
held on Tuesday 12 March 2024 at 6.00pm
in person and remotely on Microsoft Teams**

Present: Pauline Casey (Chairperson), Maureen Dowden, Ruth Hewitt, Howard Mole, David Keltie-Armstrong and Linda Chelton

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

1. APOLOGIES

Apologies were received from Bryan McMahon and Abdifatah Hayde.

NOTED

2. DECLARATIONS OF INTERESTS

Linda Chelton declared an interest in Agenda Item 6.

NOTED

3. MINUTE OF MEETING HELD ON 6 FEBRUARY 2024

The minute of the previous meeting held on 6 February 2024 was agreed as a correct and accurate record of the proceedings. The minute was proposed by Howard Mole and seconded by Ruth Hewitt.

APPROVED

4. MATTERS ARISING FROM MEETING OF 6 FEBRUARY 2024

There were no matters arising.

NOTED

5. HEALTH AND SAFETY AWARENESS PRESENTATION FOR BOARD OF MANAGEMENT

Pauline Casey welcomed Jon Cowlan from Pinsent Mason LLP to give a presentation on Health and Safety Awareness. Jon Cowlan explained his presentation would give a brief overview of the important points of the Board's responsibilities to staff and tenants and summarised the key information. Jon's presentation highlighted:

- Current trends in law.
- Corporate duties ensuring the health and safety of employees and non-employees, enforcement, and fines.
- Responsibilities as individuals, the duty of employees, liability of directors and senior managers.
- Described the possible consequences of a fatality.
- Key issues for Thenue: Fire, asbestos and legionella.

- How to avoid criminal liability: guidance on leading from the top and ensuring adequate resources for Health and Safety.

Jon Cowlan invited the board members to ask questions and/or make comment. The following was noted:

- Board Members agreed presentation was very interesting.
- Board members raised concern on big issue for landlords in relation to storage of bikes and scooters. Jon Cowlan confirmed external fire risk assessors should now have lithium battery devices on their lists and should be included in the fire risk assessment. Board Members intimated the importance of helping our most vulnerable tenants and how we support them in terms of getting free fire checks. Jon Cowlan suggested keeping an eye out for schemes and grants.
- Board Members raised the of concept of connivance. Jon Cowlan stressed the importance of asking the question ‘is that right?’ and the importance of challenging something you know is wrong.

Jon Cowlan was thanked for coming along and left the meeting at this point.

NOTED

6. CHIEF EXECUTIVE’S REPORT

Staff Salary Negotiations

Gary Naylor provided an update on the staff salary negotiations. Following on from the approval of 5.5% increase on all salary points at the previous Board of Management meeting, Gary Naylor confirmed the Union had rejected the offer. Negotiations on the pay award began on 5th March and concluded on 11th March. A revised figure of 6% had been agreed with the Union. This is in line with Thenue’s draft budget. Gary Naylor confirmed that Barry Allan will present the 6% in the final budget figure subject to approval at tonight’s meeting. Gary Naylor advised Board members he will submit Thenue’s agreement tomorrow on approval of the Budget.

Clyde Gateway Funding – Thenue Communities

Barry Allan advised at the previous meeting that due to a change in the level of funding from Scottish Government, there was a risk to the funding received in recent years from Clyde Gateway to aid in the delivery of community projects through the Calton Heritage and Learning Centre. The funding costs was put in the draft budget as a precaution. Barry Allan confirmed at tonight’s meeting the grant has been received. Barry intimated this is great news for our subsidiary and enables them to plan effectively for the year ahead. It also meant that the cost set aside by the parent company should the funding have been removed, is no longer required.

No information on future years had yet to be provided, therefore the parent company will hold some of the costs in the budget for the next two years as a precaution. Thenue Communities are working hard on funding alternatives to provide further security and we await the outcome of a bid to the Bank of Scotland, which if successful would remove the need for any assistance over the next three years from the parent company.

Tureen Street and 44 Dalmarnock Road Developments

Eleanor Derbyshire updated the Board of Management on the following developments:

- 44 Dalmarnock Road, Bridgeton – This project is designed to replace the demolished tenement in the centre of Bridgeton. The project was originally for twelve properties, however this has

been reduced to ten following planning advice. An offer of grant had been received in March 2023 following Scottish Government approval and a contractor appointed.

Eleanor Derbyshire advised Board Members final planning approval was expected at the beginning of 2024, however a late request to change the brick colour from grey to red was received. This had been reviewed by the team and approved and we now await the final planning sign off. We expect to be on site in April 2024.

- Tureen Street, Calton – A former school owned by Glasgow City Council, the Tureen Street site had remained unused and derelict for several years. Glasgow City Council were keen for the site to be developed and maintain the façade as from a heritage perspective, the building is of significance.

To develop the site there were several redevelopment costs and Thenue had submitted three previous bids to the Scottish Governments Vacant and Derelict Land Fund (VDLF) which had unfortunately not been successful. With support from Glasgow City Council a fourth and final bid was made in September 2023.

Eleanor Derbyshire confirmed to Board Members that the outcome for this is due, and we would inform the Board of Management at the earliest opportunity as allocation of the grant would allow us to progress this development. In the meantime, an Acquisition grant offer had been received from Glasgow City Council and enables the project to be designed up to the Planning Application stage.

The Board of Management is invited to:

- Approve the 6% increase on all salary points.
- Note the update regarding the receipt of grant funding for Thenue Communities from Clyde Gateway for 2024.
- Note the development updates on the Dalmarnock Road and Tureen Street sites.

The Board of Management noted the contents of the report and approved the 6% salary increase.

APPROVED

7. 2024/29 BUSINESS PLAN

Gary Naylor overviewed the Business Plan document and summarised the key points. The Business Plan outlines our business objectives, as well as the challenges and direction for the next five years going forward. Gary Naylor intimated the Business Plan had been developed over the last few months. The Business Plan explains our operational content and in addition to this, a focus on the investment in our existing properties. As inflation slowly returns to more recognised levels, the pressure on household budgets should reduce, and Thenue will continue to support our tenancies through the energy and financial inclusion advice throughout this period.

Business Objectives – April 2024 to March 2025:

1. By end of June 2024, have implemented our Succession Plan and Handover Plan for the appointment of the next Board of Management Vice-Chair prior to the next AGM.
2. By the end of June 2024, have completed the tender process and award of both the new IT and communications systems.

3. By September 2024, have developed new succession and training plans for all teams following the launch of the new appraisal system, in line with our People & Wellbeing Strategy.
4. By December 2024, have issued our 1st ESG statement following the adoption of our Sustainability Strategy 2023-28.
5. By November 2024, have developed a full response to EESSH2 requirements including reviewing our financing to enable delivery.
6. By December 2024, have completed a review to bring Asset Management based Consultancy in house, with the aim to create efficiencies to be used in Compliance.
7. By March 2025, have implemented new digital and communication systems as set out in our Digital Transformation Strategy.
8. By February 2025, have delivered a business case for the future of Reactive Repairs and the roadmap for implementation.

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

- Board Members agreed the Business Plan was a great document produced by Thenue and it was good to get an overview of this.
- Board Members asked for update on appointment of the Communication's Officer post following on from the Communication Strategy that was presented to the Board last year. Gary Naylor confirmed that Tom Ucci was successful in the role for the Communications Officer post and started his new role last week. Tom Ucci previously worked for Thenue as an Energy Advice Assistant and has a background in computer animation and communication. Gary Naylor advised Board Members one of the key points was for the Communications Officer to develop an action plan.

The Board of Management approved the 2024/29 Business Plan.

APPROVED

8. QUARTERLY PERFORMANCE

8.1 Quarterly performance report

Gary Naylor overviewed the quarterly performance report and confirmed that despite the challenging environment, the teams are performing very well. Gary Naylor highlighted the following:

- Current rent arrears are in line with our target. Despite ongoing cost of living crisis, the team are maintaining good performance with regard to collection of rental income.
- Since last quarter, there had been a 2% decrease for non-emergency repairs carried out on time.
- All gas safety certificates continue to be up to date, and this remains at 100%.
- Electrical safety is at 97.6%. Remaining properties are in abeyance, procedures being followed and therefore we remain compliant with this.
- Void loss is at 0.5% with performance improving further in quarter three.

Gary Naylor confirmed there are three areas showing 'red':

- Factoring charges collected is at 88.2%. This is due to various reasons including long-term sickness absence. In addition, the team have been managing an increase in disputed charges due to actual increases in maintenance charges. There has been help and support in addressing these as well as communication with owners.
- Current ratio is at 0.6%. This ratio will improve as the cash position improves with loan drawn. Our RBS loan will be refinanced following external advice.
- Stage one complaints resolved on time is at 90%. This represents one case which was one day overdue. OMT had been reminded to ensure complaints are responded to within target and follow up training being delivered.

Overall, Gary Naylor confirmed he was very pleased with the performance from staff at Thenue.

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

- Board members raised concerns for the current ratio falling below minimum target and asked what steps would be put in place to ensure this wouldn't happen again. Barry Allan explained this will be re-financed in September this year which should address this. External advice is being followed and is only a temporary measure. Board members agreed that it is important to have the information to understand clearly so that they can make an informed decision for potential complications.

The Board of Management approved the overall quarterly performance report.

APPROVED

8.2 Management Accounts

Barry Allan advised that the accounts showed that the association had generated an operating surplus. This was higher than the budgeted operating surplus. The main factors contributing to this surplus against the budget are as follows:

- Lower than anticipated rental and service charge income.
- Lower than anticipated void loss.
- Higher than anticipated grant amortisation.
- Lower than anticipated overall repair costs, reactive and void repairs and cyclical repairs are overspent respectively. Major repairs spend is underspent.
- Higher than anticipated property depreciation charge.
- Lower than anticipated office and corporate overhead costs.
- Lower than anticipated loan interest charged.
- Higher than anticipated gain on sale of housing accommodation.

Rent and receivable service charge income is under budget due to delays with the completion of Landressy Street. Income budgeted from April, but handover did not take place until October.

The cash balance had increased from last reported at 30 September 2023. Barry Allan confirmed 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 2023.

APPROVED

8.3 Loan Portfolio report

Barry Allan overviewed the report and confirmed the loans position at 31 December 2023 shows a total of 45% of the balance being non variable with 55% remaining variable which is currently outwith the overall limits set down within the Treasury Management policy of a minimum of 50% hedged and is consistent with the current years treasury strategy agreed by the Board in March 2022.

Board was made aware of this short-term change within the previous treasury management update, Barry Allan confirmed we are in contact with our treasury management advisors monitoring the current economic and market conditions. In addition to the two legacy loans of fixed-term that expired in December 2023, we have a facility where the fixed-term rate extended to September 2024. Therefore, Thenue will ensure that these three facilities/loans will be fixed in the next six months.

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

8.4 2024/25 Final Budget

Barry Allan confirmed the Association's budget projections had been updated and included in section 17 of the draft Business Plan as discussed earlier in the meeting. The projected surplus is approximately less than the projected surplus which was presented to the Board in February 2024. The primary reason for the decrease is due to a review of the depreciation and amortisation to reflect actual figures for 2023/24 to date.

Both depreciation and amortisation are non-cash items and have no effect on the cash balance, they also have no effect on the interest cover compliance as these are added back in the calculation. Depreciation and amortisation had both increased. Rental income had also increased when carrying out a check to the rent increase information that was prepared for the annual rent increase.

The additional costs set aside for Thenue Communities had been deferred and split evenly between years two and three as Clyde Gateway had confirmed they will fund this amount for 2024/25. Thenue Communities are actively fund raising and are hopeful that Bank of Scotland will provide future funding.

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

- Board Members asked if cash flow balances can be expanded on and the refinancing of loan in September as figures in the cashflow are saying different things. Barry Allan explained the amounts in for the budget and expanded on the issue with Crudens. Barry Allan intimated this can be amended in the report.

The Board of Management approved the final budget for 2024/25 based on the 8% rent increase.

APPROVED

9. HOUSING MANAGEMENT & FINANCE SYSTEM TENDER REPORT

Barry Allan explained the outcome of the recent tender evaluation exercise that was carried out recently for the Association's new Housing Management and Finance system. Tenders were received from the following providers:

- Designer Software Limited
- Rubixx
- SDM

They were assessed on a quality and price ratio of 70% quality and 30% price. The tender evaluation had been undertaken by the Executive Team alongside the ICT Manager. There was little difference in price submissions provided by the respondents. With both quality and cost taken into account, Designer Software Limited had provided the best overall value submission with an overall score of 61.59%. Following positive reference returns from existing Housing Association users, it is recommended that the association award the tender to Designer Software Limited for an initial period of sixty months with the option to extend a further twenty four months.

Barry Allan invited board members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved the appointment of Designer Software as the provider of Housing Management and Finance System.

APPROVED

10. INSURANCE RENEWAL REPORT FOR 2024/25

Barry Allan explained the Association's Financial Regulations require the Board of Management to review on an annual basis the existing and proposed insurance cover for the Thenue Group. The report therefore summarises the categories of insurance currently held on behalf of the Thenue Group and the levels of insurance proposed for each area for the year ahead.

The report documented the cost of the premium had increased 3.9%. It was recommended that the Board of Management approve the level and scope of insurance cover required by the Thenue Group for 2024/25 as set out within the appendix to the report.

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

- Board members agreed it was a very good report and excellent results considering the levels of inflation.

The Board of Management noted the premium level for the insurance cover for 2024/25 and approved the level and scope of insurance cover required by the Thenue Group for 2024/25.

APPROVED

11. DEVELOPMENT SITE ACQUISITION OF GRANT OFFER REPORT

Eleanor Derbyshire updated Board Members on the projects at French Street, Queen Mary Street School, and Anson House. The overall site at French Street, Dalmarnock will have 173 units of which 119 will be for social rent and owned by Thenue HA. The project has received an acquisition offer of grant from Glasgow City Council NRS, in line with Thenue's financial appraisal.

Progression has also been ongoing for the sites at Queen Mary Street School, Bridgeton (30 units) and Anson House, Bridgeton (49 units). We have received an acquisition offer for Queen Mary Street, however are awaiting acquisition offers of grant for Anson House. The acquisition will happen once we receive planning permission.

Eleanor Derbyshire invited Board Members to ask questions and/or make comment. There were no questions or comments noted.

The Board of Management approved acceptance of the Acquisition Offer of Grant for the projects detailed in the report.

APPROVED**12. SUBSIDIARY COMPANIES AND SUB-COMMITTEE MINUTES:****12.1 Audit & Risk Committee 30 January 2024**

Pauline Casey intimated the minutes were for information only and any questions or comments directed to the relevant Chair or Officer.

NOTED**13. ANY OTHER COMPETENT BUSINESS**

There was no other competent business.

NOTED**14. RÉSUMÉ OF MEETING**

There were no comments or observations noted.

NOTED**15. DATE OF NEXT MEETING TUESDAY 16TH APRIL 2024**

The next meeting will be held on Tuesday 16th April 2024 at 6:00pm.

NOTED

The meeting concluded at 19:24pm

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


Chairperson

Date: 16th April 2024