

**BOARD
MINUTES**

MINUTES OF	:	Board of Management Meeting
TIME & DATE HELD	:	26th September 2023
DATE APPROVED	:	24th October 2023

BOARD MEMBERS PRESENT	:	Hugh McIntosh, Brian Barclay, Elizabeth Battersby, Rae Connelly, Neil Devlin, Gillian Johnston, Maureen Mulgrew and Janice Saunders
APOLOGIES	:	Eddie Robertson and Grace Barbour
STAFF PRESENT	:	Tony Teasdale, (CEO) Kirsty Brown (Director of Finance & Corporate Services)
IN ATTENDANCE	:	Freya Lees, North Star Consultants – up to and including Item 10

1. Apologies

Apologies were noted as above.

The three new Board recruits were welcomed to the meeting: Neil Devlin (co-opted in August), and Maureen Mulgrew and Janice Saunders (recently elected Members). It was noted that the Board had still to formally approve the co-options of both Neil Devlin and Rae Connelly for the 2023/24 Board year (to be considered under Governance issues item) and as such they would be present with as observers in advance of that. The Board agreed to alter the agenda running order to take Governance Issues earlier as Item 9.

Prior to proceeding with the main business the Chair gave a brief reminder, for the benefit of the new Members in particular, of some matters of Board protocol. He highlighted the importance of Members's raising their hands to draw his attention when they wished to speak.

2. Declarations of Interest

There were none.

3. Election of Office Bearers

Members noted the content of the report. **The Board then approved the election of office bearers for the coming year as follows:**

- **Chairperson:** **Hugh McIntosh was re-elected**, on a proposal from Gillian Johnston, seconded by Brian Barclay. There were no other nominations.
- **Vice Chairperson:** There were no nominations for this position. In discussion it was noted that there were other Members who, whilst not willing to formally take on the vice-Chair role, would be willing to step into chair meetings if required. One of these was the Secretary, Elizabeth Battersby.

In response to a Member query the CEO clarified that there are no impediments in the Rules or Standing Orders to the Secretary covering for the Chair at Board meetings in this way. In light of this **it was agreed that the position of Vice Chairperson could remain vacant at this point with the position to be reviewed in due course.**

- **Secretary:** Elizabeth Battersby was re-elected (on a proposal from Hugh McIntosh, seconded by Gillian Johnston). There were no other nominations.

4. Minutes for Information:

The draft minutes of the following meeting were noted:

4.1 **Property Services Committee meeting: 06.09.23**

5. Minutes for Approval

5.1 **Board Meeting: 15.08.23**

The draft Minute of the Board meeting on 15th August 2023 was approved on a motion from Hugh McIntosh, seconded by Brian Barclay.

6. Matters Arising Schedule

Members noted the content of the Matters Arising Schedule and in particular that:

- The paper on principles to be applied in deciding whether and when any financial or other inducements might be offered to encourage participation in Association consultative and other activities has been deferred to the October Board meeting.
- The number of tenants using Allpay for payments was confirmed to be just under 60%. The increase in charges was noted at the August Board meeting; the Finance & Corporate Services Team are looking at other options/providers.

7. Compliance and Safety Update

Members noted the content of the Compliance & Safety Update Report which confirmed that:

- There had been no new Notifiable Events (NE) submitted since the last meeting date. The NE regarding the loan covenant situation remains open however SHR have confirmed that they will close this when the new covenant proposal is approved (Agenda Item 12). The NE regarding compliance with electrical safety requirements is now closed. An updated position of 99.8% compliance was reported at the meeting.
- The following statutory returns and submissions had been made:
 - SHAPS (Pension) Financial Assessment Return - due by 30th September
 - Annual Procurement Report to Scot Gov - due by 30th September
 - Annual Return to the Financial Conduct Authority - due by 31st October
 - Annual Financial Statements 2023 to Grant Support Office - due by 31st December

The DFCS confirmed that the Annual Financial Statements and Covenant Compliance Certificate had also been submitted to RBS in advance of the September 2023 deadline, and the Annual Financial Statements Return is in progress and will be submitted to the SHR in advance of the 30th September deadline.

- There had been no significant health & safety incidents to report since the last meeting.

8. CEO Progress Report

Members noted the content of the report updating on significant issues and developments not covered elsewhere on the agenda. In particular:

- *Decisions not reported in sub-Committee Minutes:* Following the cancellation of the Audit and Corporate Sub-Committee meeting scheduled for 31.8.23, the sub-Committee Members had taken decisions, virtually, as follows:
 - The purchase of a new Document Management System
 - The formal response to the Audit Findings Letter from Azets Ltd
 - The grading review of the Finance Manager position

(For further details members were referred to the original reports for the 31.8.23 sub-committee meeting, still available on Decision Time).

- *Staffing issues:* the Audit and Corporate Committee had also reviewed progress with the development and implementation of the People Plan. This included a new action plan to address issues arising from the latest Staff Satisfaction Survey. Part of this includes the review of staffing needs within the Customer and Community Services Team. A Member noted that the Director of Customer and Community Services post had been vacant for some time and asked about progress with the review. The CEO advised that this had been somewhat delayed unexpectedly by other recent workload requirements but that he intended to bring a report with proposals to the Board in October. The Board also noted that Stevie Coyle, our new Maintenance Officer post had started work on 4th September.
- *Service Improvement Action Plan:* following the discussion and decisions at the August Board meeting a meeting had been held with the Tenant Forum on 24th August to discuss the Tenant Satisfaction Survey findings and the draft improvement action plan. Positive feedback had been received from those attending and the intention was now to publicise the Plan to all tenants as part of this year's Annual Performance Report (APR). The format for the APR had also been discussed with the Tenant Forum and it had been agreed that a relatively simple and inexpensive style of publication be used again. **The Board agreed to delegate authority to the Office Bearers to approve the final sign-off of the Annual Performance Report.**
- *Shettleston Community Growing Project (SCGP):* Since the last meeting the CEO and other SHA staff had had to become significantly involved in supporting the SCGP Board in the running of the Growing Project. The trigger had been the unexpected departure of the SCGP Project Co-ordinator. In the first instance the SCGP Board members had been provided with HR advice.
- It had then become clear that there was a need for a review of governance and financial management arrangements within the Project. The SCGP Board agreed that the Association carry out such a review on its behalf. Following soundings with the (SHA) Chair it had been agreed that, during this difficult transitional period, the CEO should temporarily take up the position as the Association's representative on the SCGP Board, in place of the Community Regeneration Officer. The CEO had provided support to ensure that the Project's overdue AGM could go ahead and had attended meetings with the Project's main funders to seek to provide assurances that the Project would be able to continue to meet grant funding conditions. Support was now being provided with the recruitment to the vacant Project Co-ordinator post. Members noted that this had unfortunately all required a significant, unplanned input of time during what was already a very busy period. The CEO advised that he felt that this support had been necessary to help ensure that a very good community project could continue. Also to help mitigate any potential reputational risk for the Association, given our long association with SCGP. A Member asked whether any other community project being supported by the Association might experience similar difficulties and how might the Board receive ongoing assurance in respect of such a risk. **It was agreed that reporting to the Housing and**

Community Services Committee might be enhanced in this regard.

9. Governance Issues

Members noted the report on the AGM that had been successfully held on 19.09.23 and attended by 26 members plus two non-member tenants who are in the process of joining. There were no suggestions received from Board Members as to how the event might be improved going forward.

It was noted that, following the AGM, the elected Board Members, including the two latest recruits, are as follows:

<i>Grace Barbour</i>	<i>Brian Barclay</i>	<i>Elizabeth Battersby</i>
<i>Gillian Johnston</i>	<i>Hugh McIntosh</i>	<i>Maureen Mulgrew</i>
<i>Eddie Robertson</i>	<i>Janice Saunders</i>	

Members also noted the powers as set down in the Rules for the Board to co-opt additional Members. In accordance with the recommendation within the report, **the Board agreed to co-opt Rae Connelly and Neil Devlin again for the period to the 2024 AGM.**

It was noted that following the recent successful recruitment campaign the Board had increased to ten Members but it was agreed that further action was required to further strengthen the Board in the coming months through co-option, in accordance with the criteria to be adopted as part of the Board Development Plan (see agenda item 10). This to include targeted recruitment to the third designated space on the Board held for co-optees who are not required to live within the area, and who can potentially bring additional skills to supplement existing capacity.

All those present confirmed their willingness to continue to serve on sub-committees that they were already members of and it was noted that discussions would take place with the new Members and with other members in advance of the next meeting when the sub-Committee memberships would be confirmed for the year ahead.

The Board then **approved the membership of the subsidiary Boards for the coming year**, as follows:

Upkeep: Hugh McIntosh and Elizabeth Battersby (as the SHA Office Bearers) plus other SHA Board Members Brian Barclay and Eddie Robertson; independent Board Member Donna McGill; plus Tony Teasdale (SHA CEO).

EEHDC: Hugh McIntosh and Elizabeth Battersby (as the SHA Office Bearers) plus other SHA Board Members Brian Barclay and Eddie Robertson; independent Board Members Donna McGill and Liz Pithie; plus Tony Teasdale (SHA CEO).

At this point the CEO highlighted that there was also a need for the Board to formally update/approve authorisations as follows:

For RBS Bank:

In line with the Financial Regulations, there shall be two groups of cheque/BACS signatories:

Group "A" will comprise the Chairperson, Vice-Chairperson and the Secretary, and other Board Members as decided from time to time.

Group "B" will comprise the CEO, Director of Finance & Corporate Services, Director of Property Services, Finance Manager, Property Services Manager, and other staff members as decided by Board from time to time.

For City Council NRS department (grant funding):

Officer	Position	HARP Payment submissions	Accept Grant Offers	Grant Claims
Tony Teasdale	Chief Executive		Y	
Colette McKenna	Director of Property Services	Y	Y	Y
Kirsty Brown	Director of Finance & Corporate Services	Y	Y	Y
Matt Stewart	Property Services Manager	Y		Y
Lynne Edwards	Repairs Co-ordinator	Y		Y

The Board noted and provisionally approved the updated schedule of meeting dates and key items for discussion at each meeting for the period until the end of January 2024, subject to confirmation to be sought from Members regarding attendance at the planned Strategy Day on 18th November. It was agreed that the meetings calendar for the remainder of the period up to the 2024 AGM would be approved by the Board in due course, following future Board consideration of proposals to further streamline the governance arrangements (subject to approval of recommendation within draft Board Development Plan – see agenda item 10).

It was noted that no dates had yet been scheduled for any in-house Board training sessions and regard would be had to the outcome of the annual Board Review (see agenda Item 10) in putting a draft programme together.

10. Annual Board Review 2023

Freya Lees of North Star Consultants was introduced to the meeting and presented the main findings of her report on the recent annual Board Review that had been enclosed with the agenda. *(A copy of her presentation can now be seen on Decision Time under agenda item 10).*

In terms of the Board composition, it was highlighted that the Association has a relatively good age mix and a good range of skills and knowledge, particularly for a community-based association. She noted though that not all Members appeared to be aware of the particular skill sets of others.

Average overall attendance at Board meetings, at over 80%, was also described as relatively good. Board Members had identified areas for potential knowledge development and these had informed the recommendations regarding both collective training and individual training plans which would shortly be circulated to each Member.

The Board's collective appraisal of its own capacity was generally very positive, but again with some action points identified for the Development Plan.

The draft Board Development Plan was presented and discussed. A number of action areas were identified:

- *Board recruitment:* It was agreed that this remained a priority despite the recent success in attracting new Members.

- *Targeting recruitment:* There was some disagreement regarding the identified priorities.
 - Some Members expressed the view that whilst it was important to further strengthen the general financial awareness of the Board, recruiting another accountant/finance specialist might not be the only or best way to do this. Someone with more general business awareness/knowledge might add more to the Board.
 - Members also disagreed that a legal professional should be seen as a priority. The Association had access to professional legal advice and it was felt that recruiting people with professional knowledge in key areas (housing, construction etc) should bring relevant legal knowledge in those areas.
 - It was agreed that skills/experience in relation to the following should be considered a particular priority at present: housing management, third sector and also ICT.
 - It was agreed that recruiting more tenants should continue to be a priority: the number on the Board had recently increased to four. It was noted that the recent recruitment had already helped to address some of the previously identified under-representation of certain parts of the Association's area.
 - It was agreed that efforts should continue to be made to recruit younger members. It was also agreed that the Association should seek to ensure that the Board better reflects the increasingly ethnic diverse make-up of the area.
- *Board attendance:* Members did not agree that there should be a minimum attendance requirement or even a target in this regard. This was seen as being potentially off-putting. The Board's performance was noted as already being generally good and there would be other ways of addressing any significant non-attendance by individuals.
- *Succession planning:* It was noted that the positions of vice Chair and Chair of the Housing and Community Services Committee were currently unfilled. The need for improved succession planning was acknowledged, although it was noted that the recent departures, at the same time, of both the previous Chair and Vice Chair were unexpected and highly unusual. It was agreed however that the Board should adopt and always seek to maintain a "Plan B", identifying experienced Members willing to step in as required, on even a temporary basis as "caretakers" should that be required.
- *Recruitment strategy:* It was agreed that recruitment campaigns should continue to highlight the potential employability benefits arising from being a Board Member. In discussion it was agreed that both the frequency and timing of meetings might be obstacles to recruitment. Also that it was important to ensure that appropriate volunteer expenses arrangements were in place to cover any out of pocket expenses. It was noted that the Expenses Policy is due for review.
- *Participation:* It was agreed that there is potential to develop greater participation by Members and to improve scrutiny and objective challenge, although no specific proposals in this regard were identified or discussed.
- *Training:* The following were all identified as areas for training:
 - Asset management/ EESH 2
 - Void management issues
 - Housing management

- Refresher on Office Bearer Roles and Responsibilities
- Business Planning assumptions and wider business context
- Assistance with technology
- Business Planning
- Finance Training and finance mentoring
- IT & digital
- Legal and Regulatory
- Tenant Engagement

The CEO highlighted the challenges of being able to deliver a programme of events to cover all of these areas and pointed out that many would be covered through specific reports/information provided at routine Board/sub-Committee events in the coming year.

It was suggested and agreed that consideration be given to running short (perhaps 30 minute) briefing sessions on-line, that Members might access out-with the main meeting cycle.

- *Re-introduce mentoring/buddying:* This was agreed, with willing mentors/buddies to be identified.
- *Strengthen the Board's strategic role:* It was agreed that Strategy sessions should continue to be held and that they should continue to include structured member only sessions.
- *Improve Board papers:* No specific issues regarding the quality of Board papers were identified and Members who spoke expressed the view that they provided good content and that whilst changes could be made (including the inclusion of a longer introductory section) there was no real alternative to Members taking the time to read the reports. It was acknowledged that there was no definitive right format and recognition that it was difficult to get the balance between conciseness and enough content right. In discussion it was agreed that it might be helpful for the Chair to ask at the end of each meeting for feedback/suggestions on the papers that had been considered that night.
- *Board assurance:* it was agreed that the Association should carry out a review of levels of assurance and performance monitoring in conjunction with the recommended review (below) of meeting cycles.
- *Role of subsidiaries:* It was agreed that a briefing session on the role/remit of the subsidiaries should be offered to all Members.
- *Meeting cycle:* Members were in agreement that a further review of the meeting cycle be undertaken in the coming months to determine whether fewer meetings can continue to provide the Board with the required scrutiny, oversight and assurance.
- *IT support:* It was agreed that refresher sessions be provided to ensure that all Members are able to fully use Decision Time and that individual mentoring should continue to be provided where required.

It was agreed that specific proposals now be prepared by staff for how the agreed Board Development Plan might be actioned in the coming year, for consideration at the next Board meeting.

Finally, in accordance with the Rules, the Board noted the content of the report regarding the two Members (Grace Barbour and Gillian Johnston) who had each served more than nine continuous years on the Board. In line with the recommendation, **it was agreed that they both continued to be effective Board members and should be allowed to continue in membership.**

At this point the CEO and DFCS left the meeting and the Chair reported back to the Board on the recently conducted CEO appraisal which had been carried out by the Office Bearers with the support of Freya Lees of North Star.

The CEO and DFCS were then asked to re-join the meeting. Freya Lees was thanked for her contribution and left the meeting at this point.

11. Assurance Review

Members **noted** the content of the report and the progress made with the implementation of the new approach to self-assessment against Regulatory requirements.

Paper copies of the draft self-assessment checklists, detailing evidence of compliance with each of the following review areas, were provided at the meeting:

- Scottish Social Housing Charter
- Legal Requirements
- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
- Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- Standard 5 - The RSL conducts its affairs with honesty and integrity.
- Standard 6 - The governing body and senior officers have the skills and knowledge they need to be effective.
- Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

Members were asked to take these home for review to allow more in-depth scrutiny in advance of approving the Annual Assurance Statement at the October 2023 Board meeting.

Members were encouraged to provide feedback in advance of the October meeting, to ensure all comments are captured in the final versions of the self-assessment checklists.

12. RBS Loan Covenant Proposal

The DFCS presented the paper on the new covenant proposal from RBS. An overview of the existing loan covenants and the need for the Interest Cover Covenant to be revised was provided. The new proposal was discussed and the DFCS provided a short presentation using a simplified set of numbers to show the impact of the proposed changes to the Interest Cover Covenant. ***The presentation is now available on Decision Time at Item 12.***

Members noted the following:

The existing Interest Cover Covenant calculation includes the amount of expenditure on Capitalised Major Repairs in the adjusted operating surplus figure, with a compliance threshold of 100% for the next 3 years and then 110% thereafter. The revised covenant removes the need to include the Capitalised Major Repairs but increases the compliance threshold to 175% for the next three years, 200% thereafter.

The presentation demonstrated that the revised covenant calculation provides more headroom in forecast compliance levels, which provides more flexibility for the Association going forward. It also resolves the forecast covenant breaches. The DFCS confirmed to Members that this was the best offer from RBS; the Association's Relationship Manager has stated that this is the final proposal and they cannot push the compliance levels any lower.

A Member raised concerns about the need to continue to monitor the Capital Major Repairs spend; the DFCS confirmed that this would continue to be monitored:

- The budgeted spend is agreed on an annual basis with management accounts reporting tracking spend versus budget.
- A 12 month cashflow projection is also prepared as part of the management accounts reporting pack.
- The 30 year projections include the forecast spend based on the latest stock condition survey, tweaked for known changes by the Property Services Team. The 30 year projections are also signed off on an annual basis.

Members noted that the proposal also includes the removal of the Capital Spend Target of £15.3m over the 6 years to 31st March 2026. The DFCS noted that this was not problematic for the Association however its removal was welcomed.

The DFCS advised that if the Board agreed to the proposal, legal fees of £1,050 would be incurred by the Association to draft the Amendment Letter which would sit alongside the existing loan agreement to detail the change in covenants. No other fees would be incurred; RBS are not charging a works fee for the changes.

Members considered the report and presentation and **approved** the revised covenant proposal from RBS.

13. Membership Applications

At this point, with two hours having elapsed since the start of the meeting, the Chair sought and was given Board approval to suspend Standing Orders to allow for the meeting to continue for a short while so that the business could be concluded.

The Board noted the content of the report and approved the following application for shareholding membership of the Association:

- | | |
|--|--|
| • Miss Lynn Wallace (Tenant)
[REDACTED] | • Miss Lilidh Jack (Tenant)
[REDACTED] |
| • Mrs Gladys Osehake (Tenant)
[REDACTED] | • Mrs Elizabeth Flanagan (Tenant)
[REDACTED] |
| • Mr Oyeyemi Latunji (Tenant)
[REDACTED] | |

14. Any Other Business

There was none.

Minute prepared by Tony Teasdale (CEO) and
Kirsty Brown (Director of Finance & Corporate Services)

SIGNED:


.....
(Chairperson)

DATE:


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