

MINUTES OF	:	Board of Management Meeting
TIME & DATE HELD	:	25th June 2024
DATE APPROVED	:	20th August 2024
BOARD MEMBERS PRESENT	:	Hugh McIntosh (Chair), Grace Barbour, Brian Barclay, Irene McGinnis, Maureen Mulgrew and Eddie Robertson
APOLOGIES	:	Elizabeth Battersby, Rae Connelly, Marian Hassan, Gillian Johnston, Janice Saunders and Linda Sichi
STAFF PRESENT	:	Tony Teasdale (CEO) Kirsty Brown (DFCS)
IN ATTENDANCE	:	Freya Lees (North Star Consulting and Research)

1. Apologies

As noted above.

The Chair welcomed Irene McGinnes to her first meeting of the Management Board as a co-optee and all those present introduced themselves.

2. Declarations of Interest

There were none.

3. Minutes for Information:

The draft minutes of the following meeting were noted:

3.1 Audit & Corporate Services Sub-Committee : 04.06.2024

3.2 Property Services Sub-Committee : 18.06.2024

4. Minutes for Approval

4.1 Board of Management Meeting: 28.05.2024 (Confidential Version)

The draft Confidential Minute of the Board meeting held on 28th May 2024 was approved on a motion from Brian Barclay, seconded by Grace Barbour.

4.2 Board of Management Meeting: 28.05.2024 (Non-Confidential Version)

The draft Non-Confidential Minute of the Board meeting held on 28th May 2024 was approved on a motion from Brian Barclay, seconded by Grace Barbour.

At this point, the Chair proposed to re-jig the running order of the Agenda to take 'Item 8 Governance Issues' next to allow the Consultant Freya Lees to leave the meeting in a timely manner. All Board Members agreed.

5. Governance Issues

5.1 Annual Board Review

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.

The report concluded that the Board had continued to strengthen and was working in an inclusive, harmonious and cohesive way. There was a good mix of length of service on the Board including a number of recent recruits. The report found that " Board Members have a wide range of core skills and knowledge and bring expertise to the Association from a wide range of employment backgrounds and voluntary activities."

It was noted that Members's assessment of their own performance as Board members was positive in most areas with some exceptions noted. Individual learning and development Plans had been drawn up for each Member and these were being issued.

Very positive feedback had been received on the role and contribution of the Chair who was just coming to the end of his first year in post.

Members were generally very positive about the collective performance of the Board. However some areas for potential improvement were proposed within the draft Board Development Plan. The key recommendations were as follows:

Board recruitment: It was recommended that this should remain a priority for the Board and particular regard should be had to scope to improve composition through filling these gaps:

- Younger people
- Ethnic diversity
- Digital skills
- Finance skills

This was **agreed**. *(High priority)*

It was also noted at this point that not everyone was aware of the respective experience and backgrounds of their colleagues and it was agreed that details be shared. Members also **agreed that this information be made available on the Association's website**.

Board attendance: *It was recommended that there be a minimum 75-80% minimum*

attendance required of each Members. In discussion however it was noted that overall attendance is already strong. An average of 80% was quoted in the report and it was noted that this understated the actual performance as it did not have regard to an agreed leave of absence for one Member. It was therefore **not agreed** that such a target would assist in addressing any individual attendance issues.

Succession planning: It was noted that progress had been made in the past year: Office Bearer and other sub-Committee Chair positions were now all filled and a number of experienced Members had committed to temporarily fill any vacancies in the event of the sort of emergency situation that had arisen in 2023. It was noted however that no-one was currently in training to take on senior positions for when they would next fall vacant. It was **agreed that there would be benefit from adopting a short, written succession plan each year.** (*High priority*).

Participation: It was **agreed** that there is potential to develop greater participation by all Members and to improve scrutiny and objective challenge through which to hold senior officers to account. No specific recommendations were made or actions agreed at this point. (*Medium priority*)

Training: The following were all proposed as topics for collective training (*Medium priority/ongoing*):

- Staffing & HR policies
- Help with IT/ Assistance with technology to make better use of tablet/ decision time/ Basic computer skills training
- Office bearer roles
- Training in all aspects of the Association refresher courses
- Governance
- Boardroom 'etiquette'
- Chairing skills
- Development
- Wider role
- Asset management
- Performance management
- Partners' views of the Association

These were agreed but it was agreed through discussion to revise the last point to just mapping who the Association's current partners are, for the benefit of Members.

Strengthen the Board's strategic role. It was **agreed** that Strategy sessions should continue to be held so that members are clear on the strategic direction of the Association and feel that they have ownership of the process. (*Medium priority*)

Agenda: It was recommended that Office Bearers should have greater involvement in agreeing the agenda for meetings. It was noted however that the Board agenda is already discussed and signed off in advance at monthly meetings between the Office Bearers and CEO. It was **agreed that the office bearers should identify any improvements required to this process.** (*To be determined*).

Board papers: It was recommended that further changes be made to the format of Board papers, to be discussed under the governance review. (*Medium*)

IT support: It was noted that a number of Board members continue to have issues with the use of technology and **agreed that further advise and assistance should be provided as required.** (Medium)

Nine year Rule: It was noted that two members – Grace Barbour and Gillian Johnston – have served more than nine years continuously on the Board. As such, in accordance with the Rules, their respective appraisal meetings had included a focus on their continued effectiveness and the report included commentary on this. The recommendation in both cases was that they be allowed to continue to serve on the Board.

One of the two – Grace Barbour – was present and she left the meeting at this point whilst the Board discussed this item. **The Board was in full agreement that both Members continue to be effective Board members.**

In response to a question the consultant advised that, going forward, this review of continuing effectiveness might only be carried out when it is time for the individuals in question to stand again for election and it was **agreed that this practice would be adopted in future.**

Grace Barbour returned to the meeting at this point.

5.2 Governance review (Stage 2)

Freya Lees then presented her report on the second stage of the Governance Review which had looked at:

- Board reporting/papers
- The use of Decision Time.

Freya commented positively on the style and content of Board reports but made some recommendations for improvement. In particular it was suggested that they should consistently include information that would assist the reader to quickly assess the status and purpose of the report and the implications that would flow from any proposed actions.

It was further recommended that the Association adopt the practice of designating certain items on the agenda as being “consent” items. These would be topics not anticipated to require detailed discussion or amendment at the meeting. They would be consolidated into one agenda item and could be dealt with through one collective Board approval rather than being taken as individual items. The aim would be to reduce unnecessary outlay of time on these items to allow for greater focus on more significant, strategic items.

It would be important for the Board to still be able to scrutinise these items, with papers still issued well in advance of the meeting and the opportunity to ask any questions through Decision Time. If any item did prove to be more contentious than anticipated then it would still be dealt with as a separate agenda item.

It was agreed that updated board report and agenda templates be developed and

shared with Board Members for comment and feedback.

A number of recommendations were also made in respect of the Decision Time electronic Board reporting system. This was found to be a good platform but it was felt that there was some scope for improvement in how it is used.

It was recommended that greater use be made of the facility to ask questions in advance of meetings, although this should not preclude the opportunity to also ask questions at the meeting.

It was noted that protocol for use of Decision Time had previously been developed and a number of specific recommendations were made to enhance this. In particular it was suggested that:

- guidance be given on how to ask questions, not just make notes.
- questions relating to meeting papers, along with the answers given be shared with all Members and Staff and also be captured in the Minute of the subsequent meeting.

It was noted that at present, some questions/comments are being 'lost' and not shared correctly and it was agreed this be addressed.

The Board approved these recommendations and it was agreed that information/training sessions on the use of Decision Time be held in advance of the next Board meeting.

5.3 Schedule of Board and Committee meetings

The Board considered and **approved the draft schedule of Board and Committee meetings for the Group for the period up to the 2025 AGM** which had regard to the changes to the governance structure approved at the May Board meeting.

5.4 Co-options

The Board noted that since the last meeting the Chair and Vice Chair had met with both Irene McGinnes and Tracey Kernahan to discuss their interest in joining the Board and felt that both had a lot to contribute as Board members.

Both Irene and Tracey had indicated an intention to stand for election at the AGM. In the meantime the office bearers were happy to endorse the in-principle decision taken at the last meeting to co-opt Irene who had now joined the Board. That meant however that there were no other vacancies that could be filled through co-option in advance of the AGM (as the number of co-optees cannot exceed 1/3 of the Board) but Tracey had agreed to attend the next Board meeting as an observer.

5.5 Annual General Meeting (AGM)

Members noted the content of the report and the timetable of actions required leading up to the AGM on 17th September:

- **The Board agreed to delegate authority to the Office Bearers to consider**

and approve applications for membership received by 7th August.

- It was also agreed that a guest speaker be arranged on the topic of our Green Strategy, with a particular focus on the Association's role in promoting nature and bio-diversity in the area.
- It was noted that three Board Members are required to stand down and submit themselves for re-election this year. One of those was Brian Barclay, and Grace Barbour agreed to be a second. **Either Elizabeth Battersby or Gillian Johnston (not present) would also be required to stand down and it was agreed that they be approached regarding this.**

6. Matters Arising Schedule

Members **noted** the updates for the three matters arising raised from the last meeting which were not covered by other reports on the agenda, as follows:

- The meeting with local elected representatives regarding the future of the Shettleston Halls site had been postponed until after the General Election.
- Information was noted regarding how to open embedded links in reports and further guidance was to be given as part of planned training on the use of Decision Time.
- Representatives from the Scottish Housing Network (SHN) will attend the Operations Committee meeting on 10th September to present findings of their analysis of our ARC performance and how this compares with others.

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 SHR had confirmed that it had re-opened one previously closed NE. The Board would be updated with regards to any future developments with this.
- the Annual Return on the Charter and Stock Return, and the Five Year Financial Projection Return for the year ending 31st March 2024 were submitted to SHR in advance of the 31st May 2024 filing deadline; and
- there were no significant health & safety incidents to report since the last meeting date.

8. CEO Progress Report

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

- Staffing update: The formal consultation on proposed changes to the Customer and Community Services team structure was underway. In response to a staff request it had been agreed to extend the consultation period to 5th July (originally scheduled to conclude on 21st June).
- In light of this a special meeting of the Audit and Corporate Committee had

been scheduled for 6th August to consider the consultation responses and decide on the way forward.

- Members noted that there were some capacity issues within the CCS team at present due to sickness absence. It was also noted that there has been a temporary housing officer in the team for some time but she is about to move on to an opportunity elsewhere. The post cannot be filled permanently until after the CCS team structure review has concluded and steps are being taken to recruit further temporary cover.
- *Upkeep: industrial relations:* Members were updated regarding the ongoing dispute between our subsidiary Upkeep and the union, UNITE, in relation to the 2023 annual pay negotiations.
- *Shettleston Community Centre:* Members were reminded that the Council was looking to dispose of the Centre on Amulree Street which had been closed since the onset of Covid. FUSE had submitted an expression of interest in 2021 and this had been supported since by the Association. The intention had been to explore the potential for the building to be taken into community ownership to enable it to remain open as a community centre. People Make Glasgow Communities (PMGC) which is overseeing the Council's community assets disposals programme had however recently decided to close FUSE's application on the basis that insufficient progress was being made towards a formal proposal. New expressions of interest were to be invited although this would apparently not preclude a fresh approach from FUSE/SHA. The CEO acknowledged that whilst some significant steps had been taken the rate of progress to date had been very slow, with both organisations having other priorities to deal with during this period. He suggested that if we are to continue then a more dedicated resource would be required, and that might require the Association to directly commission this. Initial soundings with the Office Bearers had indicated support for our continuing involvement. The Board as a whole was now invited to comment prior to any further action being taken. In discussion there was general support for the Association to continue to explore the potential for the building to be taken into community ownership. There was recognition of the challenges that would be involved with this and concern expressed at the prospect of the Association committing to any significant financial input. **It was agreed that the CEO explore scope for securing additional resource to help progress this project and to report back to the Board with proposals.**
- *Communications:* It was noted that the summer newsletter was under preparation by the DCCS and would be issued to tenants in July.
- *National and Local Housing Policy: members noted that:*
 - The Sfha's "manifesto" of wants from government had been enclosed with papers.
 - We had issued information to our tenants about how to register to vote and what ID was necessary this time.
 - The latest GWSF policy update.
- *Scottish Housing Regulator: members noted the:*
 - Information about GWSF's consultation paper "Strengthening Regulatory Support for Community Based Housing Associations" and issues around this. It was agreed that the Association should respond with the draft to be shared with the Office Bearers.

- A new guide for tenants from SHR on how it regulates, which would be placed on our website.
- *Training/conferences: Information about recent Member attendance at conferences.*

9. Finance

9.1 Treasury Management Report

The DFCS presented the Treasury Management Review for the 2023/24 year.

Members noted that this was the first report since 2021, and the DFCS confirmed that this would be an annual report going forward presented alongside the SHR Loan Portfolio Return each year.

Members noted the following:

- The latest stock valuation was completed in December 2023. It is a requirement of our loan agreement to get updated valuations of stock secured to RBS every 3 years, meaning the next valuation is due in December 2026.
- The uplift in valuations, using the Existing Use Value – Social Housing valuation method, from the 2020 valuation to the 2023 valuation was £5k per unit.
- Total stock at 31st March 2024 was 2445 units, with 2292 units secured to RBS, leaving 153 units unsecured/unencumbered.
- Stock additions since 2020 totalled 82, representing new development at Fenella Street and St Marks along with private acquisitions. It was noted that we do not have updated valuations for these properties.
- The Association had £41,600k of loans outstanding as at 31st March 2024:
 - There are 4 separate loan facilities A, B, C & D.
 - A, B and C are all fixed rate loans.
 - D is a variable rate loan.
 - A and C are fully amortising loans – these have been on an interest only repayment basis since 2020, with capital repayments due to commence in 2025 over a 20 year repayment profile.
 - B and D are ‘bullet’ loans meaning they are on an interest only basis for 14 years and 10 years respectively, with the full capital repayment due at the end of the interest only period.
 - The funding mix of the £41,600k borrowing is 84% fixed / 16% variable.
- The Asset Cover loan covenant requires the value of secured stock to be at least 110% of the value of loans outstanding. At 31st March 2024 this was 171%, providing headroom of 61%.
- The headroom / excess security available is cash terms £22,968k on the secured stock, with a further £5,985k security available from the unsecured stock (*noting that we have applied the average valuation per unit amount to the 82 properties that we do not have updated valuations for to achieve this figure*).
- The cash on hand position at 31st March 2024 was £1,978k, with a cashflow projection of £3,605k at the 31st March 2025.
- It was noted that the minimum cash on hand target of £1,000k had been achieved for the duration of the 2023/24 year. It was further noted that this minimum target only provided approximately 1.25 months of operating

expenditure cover. The DFCS advised that the Association should be looking to grow its cash holding to around 6 months of operating expenditure.

Members noted that the report also contained information in relation to future borrowing requirements, RBS credit rating, interest received on deposits, loan covenants and loan break costs.

The Management Board approved the contents of the Treasury Management Review 2023/24 report.

9.2 Loan Portfolio Return

The DFCS presented the draft LP Return for the year to 31 March 2024. Members noted that the figures relating to the borrowing commitments of the Association were in line with those discussed when reviewing the draft annual accounts at the May 2024 Management Board meeting and also the previous Agenda Item 9.1 Treasury Management Report.

The DFCS confirmed that the LP Return provided detail on the total loan facilities agreed, the lender, amounts drawn down, amounts still to be drawn down, the percentage of stock provided as security, the value of the security held and the financial loan covenants attached.

The Management Board approved the LP Return and its submission to SHR.

9.3 RBS Loan Covenant - proposal

The DFCS presented the revised loan covenant proposal from the Associations lender RBS. Members were provided with an overview of the existing loan agreement, dated 2014 and restated in 2020, along with the related loan covenants. It was noted that the current interest cover covenant is restrictive due to the major repairs addback and that the Association had been trying to renegotiate this covenant over the last 18 months. A proposal had been received in 2023 however this was not taken forward as the new threshold for compliance was thought to be too high, being 170% for the first 3 years reverting to 200% for the remainder of the loan terms. Members noted that this new proposal was more attractive than the 2023 offer which had been declined, being 160% for the duration of the loan period.

Members noted the favourable impact to the revised covenant on the Association's business plan. The removal of the major repairs investment from the adjusted surplus calculation along with the revised interest cover threshold of 160% provides additional headroom of £145,896k over the 30 year business plan period, providing more flexibility in terms of investment spend.

Following discussion, the Board approved the revised covenant proposal from RBS and provided delegated authority to the Executive Team to conclude the wording of the Amendment Letter and related documents and arrange for them to be signed by any of the Associations authorised signatories:

Hugh McIntosh (Chair), Elizabeth Battersby (Vice-Chair), Tony Teasdale (CEO) and Kirsty Brown (Director of Finance & Corporate Services).

10. Sustainability

Members noted the content of the report and the detailed information about the Sustainability Reporting Standard (SRS) which is being adopted by a growing number of social landlords across the UK. The Standard provides a framework for self-assessment and reporting against a series of Environment, Social and Governance (ESG) criteria, under the following themes:

Environmental: Climate change; ecology and resource management

Social: Affordability and security; building safety and quality, resident voice; resident support and place-making.

Governance: Structure and governance; Board and trustees; staff wellbeing; supply chain management.

The benefits and implications of signing up to the Standard were considered. It was proposed that the Standard would provide a good platform for the development of the Association's own sustainability strategy in line with our Business Plan objective to "Build sustainability into how we work to help make Shettleston a greener place". It would also provide a robust and trusted basis for reporting to tenants and stakeholders (including funders and lenders) on our progress towards these objectives.

It was noted that there is no financial cost involved and the first report would be due to be submitted by October 2025.

The Board then agreed to make the following formal commitment:

We confirm our commitment to become an Adopter of the Sustainability Reporting Standard for Social Housing ("the Standard").

We commit to:

- *Report against the Standard by 31/10/25 for the financial year ended 31/03/25.*
- *Continue to report against the Standard on an annual basis for as long as we remain an Adopter.*
- *Annually enter our SRS information into the Input Tool, to enable sector comparisons*
- *Provide feedback on the Standard as a way of supporting the further development of the Standard.*
- *Encourage others to adopt the Standard*

The Board then noted that one of the SRS criteria relates to enhancing green space under management and promoting bio-diversity on or near homes. The Board noted information in the report about how other social landlords were taking action on these issues and noted the scope for working with Upkeep and other local partners to play a more positive role in future in the area in this regard. **The Board was supportive of this in-principle and agreed that detailed proposals be worked up for further consideration.**

11. Shettleston GALA

The Board noted the report from the DCCS providing an overview of the plans for the August 2024 Gala Day.

It was agreed that SHA contribute up to £5000 from the existing wider role budget.

It was highlighted that a full risk assessment would be prepared for the event.

A Member commented that he thought the £1 contribution for food may need reviewed; is this £1 each or £1 per family? If £1 each it might put larger families off attending. It was agreed that any charge would need considered and communicated in advance.

Board Members noted the content of the report.

12. Membership Applications

The Board noted the content of the report and **approved** the following applications for share-holding membership of the Association:

- **Mr Alan Marshall**

[REDACTED]
(Mr Marshall is a SHA tenant)

- **Ms Colette Carolan**

[REDACTED]
(Ms Carolan is a SHA tenant)

- **Miss Pamela McKechnie**

[REDACTED]
(Miss McKechnie is a SHA tenant)

13. Any Other Business

The DFCS reminded Board Members to complete the IT Survey that was issued by email before the summer recess begins on the 1st July 2024.

Minute prepared by Tony Teasdale (CEO) and Kirsty Brown (DFCS)

SIGNED:



DATE:

20th August 2024

