

**Minutes of the Board Meeting held on
Wednesday 24 June 2020 at 6pm
via Zoom video conferencing**

Present:

S. Gaunt, Chairperson
J. Ayorinde
K. Barker
K. Clayton
M. Flaherty
E. Gotowicz
H. Gracie
F. Koroma
A. Louden
M. Overthrow
M. Smith

In Attendance:

A. McKee, Chief Executive (AM)
N. Logan, Finance Director (NL)
J. Murray, Housing Services Director (JM)
D. Weir, Technical Director (DW)
P. Bridges, Corporate Services Officer (Minutes) (PB)

1. Apologies and Declarations of Interest (including agenda item to which this refers)

Apologies:

Apologies were **noted** on behalf of Board Member A. Edgar.

At their Special Meeting on 29 April 2020, the Board **granted** leave of absence for a three month period to Board Members P. McGinlay MBE and E. McShane.

Declarations of Interest:

Nothing to report.

2. Minutes of previous Board Meetings
(i) Decisions taken between meetings

Nothing to report.

(ii) Board Meeting 27.5.20 & Confidential 27.5.20

The Minutes were **approved** as an accurate record of the meeting.

(iii) Matters Arising/Tasks

The Board **noted** that most of the tasks agreed at the Board meeting in May had been actioned.

Page 4, Item 4(4): Complaints Training

Staff training on recording complaints has been arranged for 24 July 2020.

Page 4, Item 5: Tenant Communication/Transparency

Board members confirmed that they have received printed copies of the Spring newsletter.

Page 5, Item 6: Health & Safety

DW confirmed that he had issued staff with the DSE questionnaire, HSE Guidance Note and Homeworking policy. DW advised that Glasgow City Council will possibly be resuming their bulk uplift service during Phase 3 of the Scottish Government's route map to ease lockdown restrictions.

See Confidential Minute

3. Minutes of Sub-Committees and other Meetings

(i) Note of Meeting of the Office Bearers 19.6.20

(ii) Draft Housing, Technical and Health & Safety Sub-Committee 3.6.20

The Board **noted** the minutes of the meetings.

4. Matters for Discussion / Decision

(1) Scottish Housing Regulator (SHR) Loan Portfolio

NL advised that the Loan Portfolio is submitted to the SHR annually. The document details all of the Association's loans, the covenant compliance with the loans, and the amount of security in place. NL confirmed that there would be no changes and asked the Board to approve the Loan Portfolio for submission via the SHR's Social Landlord Portal. The Board **noted** the report and **approved** the Loan Portfolio for submission to the Scottish Housing Regulator by 30 September 2020.

See Confidential Minute

(2) Update on the Association's service in light of the Coronavirus Pandemic

AM advised that this report is an update of the report given to the Office Bearers at their recent meeting.

AM commented that the advice from the Scottish Government is for staff to work from home (where possible) for the foreseeable future. However, some staff will have to come in to the office to carry out certain tasks that can't be done from home.

AM confirmed that the Association's office would re-open on Mondays, Tuesdays and Thursdays from 9am - 5pm, and on Fridays from 9am - 4pm. The office will be closed all day on Wednesdays. Staff briefings and departmental meetings will continue to be held on Wednesday afternoons via Zoom or Microsoft Teams.

A Board member asked if staff had been surveyed about any concerns they may have about returning to the office. AM advised that questions about how staff felt about the pandemic and returning to the office had been added to the 1-2-1 review forms. AM confirmed that although he did not envisage any issues, staff safety is paramount and the Association would be sympathetic to any concerns raised by staff.

AM advised that the Office Bearers had considered issuing staff with thermometers to allow them to check their temperature before coming to work. However, as this would only identify one possible symptom of the virus, the CMT would prefer to advise staff members who are not feeling well to avoid coming in to the office.

A Board member asked if the social distancing measures being adopted for the office would be altered if the Government changed the social distancing guidance from 2 metres to 1 metre. After a brief discussion, it was agreed that changing the plans at this stage could affect staff confidence. The Board **agreed** to continue with the current plan for adapting the office.

AM advised that, for the safety of both staff and customers, all visitors to the office would only be admitted if they had an appointment. A new automatic door opening mechanism will be fitted to the main office door. A Board member asked if there were any plans to fit a similar device to the staff door. AM advised that it would be difficult to do that at this time due to the layout of the office. The Board **agreed** that this issue would be discussed again at a later date, possibly when the office is refurbished. AM confirmed that hand sanitiser will be available just inside the staff door.

A Board member thanked A. McKee for his comprehensive update, adding that the level of detail provided was really helpful and had given the Board additional assurance. AM thanked the Board and the staff team for their support.

AM provided some performance statistics for the Board.

See Confidential Minute

The Board **noted** the report.

5. Board Priorities

For the benefit of O. Gaffney from SHARE (who had been invited to observe the meeting), SG explained that the Board had set a number of priorities for this year. These have had to be delayed to allow the Association to focus on providing the best possible services to its customers during the pandemic. Following a brief discussion, the Board **agreed** that these items should remain on the agenda, however a note would be added advising that no further updates would be given until next year.

(1) Board Training

SG noted that the Board had taken part in a couple of training sessions recently. A Board member asked if the training booklet issued by SHARE could be distributed to the Board. AM will ask M. Hutcheson to do this.

(2) Rent Harmonisation

The Board had previously **agreed** to postpone the implementation of the rent restructure exercise until March 2022.

(3) Succession Planning and Staff Resources

The Board **noted** that AM is progressing this item and had provided further information on this item to the Finance, Audit and Corporate Services Sub-Committee at their recent meeting.

(4) Office / Community Hub

The Board had previously **agreed** to put this item on hold.

(5) Tenant Communication / Transparency

The Board **noted** that this is an ongoing item. Staff are working with the Service Improvement Group to keep our tenants up to date with what's happening.

6. Health & Safety

DW advised that this item had been covered by the Coronavirus Update report discussed earlier in the meeting. DW confirmed that, due to the pandemic, the Association is only able to carry out gas servicing at the moment. The Board **noted** the report.

At this point in the meeting, the Board agreed to take Agenda Item 8 - Board Appraisals.

8. Board Appraisals

Olwyn Gaffney (OG), Learning and Development Manager from SHARE, had been invited to attend the entire meeting to observe that our Board meetings are conducted appropriately and that the correct type of discussion is taking place. OG had also been asked to discuss the Board Appraisal process with the Board.

OG advised that the Scottish Housing Regulator (SHR) requires that *'The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans'*.

For the benefit of the newer Board members, OG explained that the appraisal process allows our Board members to:

- Demonstrate their knowledge and understanding of the SHR's Regulatory Framework;
- Consider their motivation and demonstrate their effectiveness;
- Look at what they have contributed over the past year;
- Identify strengths and any areas of special interest, e.g. becoming an Office Bearer;
- Indicate their preferred method of learning;
- Highlight any support or development needs that they may have; and
- Assess the performance of the Association's current Chairperson.

This year, Board members will also be asked if they feel confident about the information they have been given with regard to the Association's position during the coronavirus pandemic.

Following the survey, each Board member will be invited to attend a 1-2-1 meeting with OG (via Zoom or telephone). Information gathered from the survey forms and 1-2-1 meetings will be used to produce a Board Appraisal report which will be presented to the Board at their meeting in August. Individual Learning Statements and a suggested Learning and Development Plan will be issued to the Chairperson and the Chief Executive.

The Board **agreed** the following timetable:

- Questions/comments on the draft Survey Form to OG by 29 June 2020
- Online survey form to be completed by 6pm on Sunday 5 July 2020 (via SurveyMonkey)
- 1-2-1 meetings start 6 July 2020
- Draft report to AM and SG by 12 August 2020
- Final report presented to the Board at their meeting on 19 August 2020

On behalf of the Board, SG **thanked** OG for attending the meeting and discussing the appraisal process with the Board.

In response to a question from a Board member, AM confirmed that 5 Board members would be standing down at the AGM this year. The proposed date for the AGM is Wednesday 16 September 2020, however the AGM could be delayed as long as it takes place before the end of September. AM added that the date for the AGM would need to be confirmed by August.

7. Proposed New Rules for the Association

SG welcomed Mark Ewing (ME), Solicitor, TC Young. The Board had previously agreed to proceed with making arrangements for the Association to change to the 2020 New Model Rules which have been devised by the SFHA. ME had been invited to the meeting to explain the process to the Board. Before ME's presentation, AM spoke to his previously circulated report (which included an extract from an email from ME) and made the following comments:

- The only variation to the proposed New Model Rules is the proposal to use the term 'Board of Management' to describe the Association's governing body, rather than 'Committee of Management'. AM confirmed that he had received legal advice confirming that there are no legal implications arising from this variation to the Model.
- NL had looked at the loan agreements to check if the Association required to obtain consent for the proposed changes from any of its lenders. AM confirmed that the Association requires the consent of THFC, Bank of Scotland and RBS. AM added that the Association does not need consent from Nationwide Building Society to change its Rules.
- AM confirmed that he and NL believed that the fixed fee for dealing with the change of Rules quoted by TC Young is fair. The Board **noted** that AM had advised TC Young of this.

AM invited ME to give his presentation to the Board. ME advised that the vast majority of housing associations in Scotland operate with Model Rules as their constitution. Any updates to the Rules are negotiated by the SFHA (on behalf of the sector) and the Scottish Housing Regulator (SHR). As the Rules have been updated this year, there is an expectation that the sector will adopt the new Model at a Special General Meeting (SGM) held on the same date as the Annual General Meeting (AGM). ME added that it was his understanding that Glen Oaks intended to do this.

ME explained that the material changes to the Rules on this occasion are as follows:

1. Since the introduction of the previous Model Rules in 2013, there have been various changes of statutes (Acts of Parliament) and it is necessary to update the Rules to reflect those changes in law.
2. The Scottish Housing Regulator (SHR) updated its Regulatory Framework in 2019 which has resulted in the introduction of a new provision in the Rules.

3. The SFHA has added some new governance mechanisms to the Rules.
4. Some clarifications have been included and a general tidy-up of the Rules has also been done.

See Confidential Minute for details.

ME advised that the next steps in the process are as follows:

- **The Board accepts the draft Rules being discussed at this meeting.** This will include the Board's decision to change 'Committee of Management' in the new Model Rules to 'Board of Management' because this better reflects our status. ME added that our governing body was called 'Board' in the previous Rules.
- **The Association requires to obtain the consent of some of its lenders for the proposed changes to the Rules.** ME commented that this is a contractual obligation in some loan agreements and not a matter of law. ME advised that NL should contact the lenders immediately after the Board meeting.
- **Present the new Model Rules to the Association's membership at a Special General Meeting.** ME added that a majority of 75% of those who are voting at the SGM must agree to adopt the new Model Rules.
- **If the new Model Rules are adopted by the required majority at the SGM, the Rules then go forward to be registered with the Financial Conduct Authority.** At that point, the Rules become effective.
- **Within 28 days of registering the Rules, the SHR must be notified.** As part of the notification process, the Association is required to provide the SHR with a copy of the Board report prepared for this meeting, along with a copy of the minutes of the meeting.
- **The Charity Regulator must also be notified within 3 months of the new Rules being registered.**

Virtual AGM

ME advised that the current Rules do not allow the Association to hold an AGM or SGM other than by having at least 10% of its membership physically present (or represented by a proxy) to constitute a quorate meeting. The 2020 Model Rules also do not currently allow for virtual meetings to take place. However, it was recognised that it would be very difficult to hold the AGM in its usual format this year due to the coronavirus pandemic. This concern led to the UK Government passing temporary legislation (The Corporate Insolvency and Governance Act 2020) to make provision for virtual General Meetings up until 30 September 2020.

The SHR has agreed that associations can have the option to make a permanent change to the 2020 Model Rules to allow virtual attendance at General Meetings. ME added that the SFHA is developing additional guidance for the sector about how this might work in practice this year.

ME advised that he has drafted the proposed optional amendment which has been approved by the SHR and will send the draft to AM tomorrow if the Board decided to add it to the 2020 Model Rules. A Board member said that this provision would be a useful addition to the Rules and would safeguard the Association for the future by allowing us the option to hold a virtual (or part physical/part virtual) AGM if necessary. AM agreed that this change to the Rules would be helpful, but commented that he would always prefer to have a physical AGM if possible because he believed that the majority of the shareholders who attend the AGM would prefer to come along in person. The Board **agreed** to add this new provision in the 2020 Model Rules and further **agreed** to delegate approval of the wording of the provision to SG and AM which would then be circulated to the Board for information.

The Board **agreed** to accept the changes discussed at the meeting and **agreed** to adopt the 2020 Model Rules.

On behalf of the Board, the Chairperson thanked Mark Ewing for attending the meeting to explain the changes.

9. Assurance Statement

NL advised that the Finance, Audit and Corporate Services Sub-Committee reviewed the Action Plan in detail at their meeting last week. Several of the items in the Plan are being progressed and NL will give a further update on the Action Plan at the Board meeting in August.

See Confidential Minute.

NL advised that Regulatory Standards 2, 5 and 6 will be reviewed at the August Board meeting. A Board member commented that they were very happy with the review programme and the information given to the Board.

NL confirmed that a meeting will be arranged prior to the submission of the final Assurance Statement to update the Board on the additional work that has been done throughout the year, and to allow the Board to review the full list of evidence.

NL advised that it has been agreed that the Association's Internal Auditors, Henderson Loggie, will review all of the work done this year and will feedback to the Board on the outcome of their review.

The Board **noted** the report.

10. Risk Management

NL confirmed that there have been no changes to the Strategic Risk report. A Board member commented that the Finance, Audit and Corporate Services Sub-Committee had looked at the new Risk Module on Decision Time. NL advised that the Corporate Management Team would be meeting with Decision Time in July, adding that the new module should be in full use by the August Board Meeting. The Board **noted** the report.

11. **Notifiable Events** - *nothing to report*

12. **Staffing** - *nothing to report*

13. **Membership** - *nothing to report*

14. **Use of Seal** - *nothing to report*

15. Policy Review

(1) Policy Register

AM noted that some policies were overdue, adding that staff were working on these items. NL advised that a section explaining Notifiable Events would be added to the relevant policies when they are next reviewed.

The Board discussed the review of the Gold Service policy and **agreed** that AM would ask the Service Improvement Group to become involved in the review of this policy.

The Board **noted** the Policy Register.

(2) Treasury Management Policy

NL advised that the issue of ethical investments had been discussed by the Board during the preparation of the Assurance Statement. NL has added a statement to the Treasury Management policy which states that *'the Association will not knowingly place deposits with banks or building societies that are investing in unethical businesses.'* The Board **approved** the Treasury Management policy.

(3) Governance Handbook

AM advised that the Governance Handbook was scheduled for annual review and thanked PB for her work on this document. The Board **approved** the Governance Handbook and appendices.

The Chairperson asked if Board members were due to sign the Association's Code of Conduct. PB replied that the documents will be made available to the Board via Decision Time. Board members will be asked to confirm their acceptance by email and will formally sign the documents at a later date.

16. Community Regeneration - nothing to report

17. Matters for Information

(1) SHR Five-Year Financial Plan (FYFP)

NL advised that the Association's FYFP was ready for submission, however she proposed to present the FYFP to the Board at their meeting in August. This is due to the Scottish Housing Regulator's decision to change the submission date from 30 June 2020 to 30 September 2020, to 'give RSLs additional time, where they need it, to measure and reflect the impact of the pandemic as best they can into their projections.' NL noted that the updated Business Plan assumptions had been approved at the Board meeting in May, adding that if any further updates were required, the Business Plan would be presented to the Board at their next meeting. The Board **noted** the report and **agreed** that the FYFP would be presented for approval at the August Board meeting.

(2) Draft Internal Audit Programme

SG advised that this item had been discussed in detail with the Internal Auditors at the Finance, Audit and Corporate Services Sub-Committee meeting last week. The Board **noted** the Draft Internal Audit Programme.

18. Report back from Meetings / Conferences attended - nothing to report

19. Correspondence and Other Matters for Decision - nothing to report

20. Any Other Competent Business

- (i) AM advised that he had previously suggested meeting with the newer Board members for an informal chat. AM added that he would contact them individually to arrange further 1-2-1 meetings to ask how they are settling in to their new roles as Board members.
- (ii) A Board member asked about changes to the security cameras in Darnley. DW advised that he had not instructed any work but will discuss this issue with his colleagues and contact the Board member in due course.
- (iii) A Board member had been told that the new houses at Arden Phase 5 had been vandalised/broken into. DW advised that the Association had not been advised of this, adding that he would discuss the matter at the site meeting tomorrow.

21. Date and Time of Next Meeting

The next meeting will take place on **Wednesday 19 August 2020** at **6pm** via Zoom.

Signed:

Date: