



**THE GLASGOW HOUSING ASSOCIATION LIMITED
BOARD MEETING**

Friday 29 May 2020 10.30 AM BY VIDEO CONFERENCE

AGENDA

1. Apologies for Absence
2. Declarations of interest
3. Minute of Meeting held on 14 February 2020 and matters arising
4. Business update
5. Framework for start-up and renewal of activity
6. Annual Return on the Charter and year end results 2019/20
7. Alertacall expansion
8. a) Finance report
b) CCFF scheme
9. Governance update
10. AOCB



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Business update

Date: 29 May 2020

1. Purpose

- 1.1 This report provides an update on our response to the impact of the current Coronavirus crisis on GHA, our customers and our communities.

2. Authorising context

- 2.1 The activities addressed in this report are principally of an operational nature, and are therefore delegated to the Group CEO under the Group Standing Orders. GHA Board has been kept regularly apprised of our progress through email updates.

3. Risk appetite and assessment

- 3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:
- i. *Customers* - risks that our customers may suffer hardship and distress, not just through the risk of catching or through having the virus itself, but through the current government measures causing other effects such as hunger, isolation and mental and physical health problems
 - ii. *Staff* - risks that staff are exposed to the virus, especially those engaged in customer-facing activity; that we have a reduced workforce due to illness and/or self-isolating, and that those working from home may not be able to function effectively
 - iii. *Financial viability* - risks to our financial position, such as increasing rent arrears and reduced cash flow
- 3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

4. Background

- 4.1 This report provides a further update to Board members on our contingency operations to support both essential business and the new issues faced by us and our customers.

5. Discussion

(i) How we are supporting customers

- 5.1 We have determined the services which are essential for our customers & continue to provide these. The provision of services has evolved over the eight weeks as we gain experience in the “new normal”. In all of these, securing our rental income remains a key focus. Details on this are included in section (iii) of the report. Core services can be categorised into:

- Keeping our customers safe in their homes;
- Supporting our customers in a time of crisis;
- Supporting the provision of emergency accommodation;
- Delivering our priority care services; and
- Wheatley 360 services; and
- Support to local organisations.

- 5.2 See Appendix 1 for specific examples which flesh out of the support we are giving to customers and illuminates the human angle to this support.

Keeping our customers safe in their homes

- 5.3 Our core service provision relates to ensuring life and limb repairs continue for customers, gas safety servicing, maintaining staffing in our multi-storey blocks and maintaining some of our environmental service particularly to deliver actions which support fire safety.

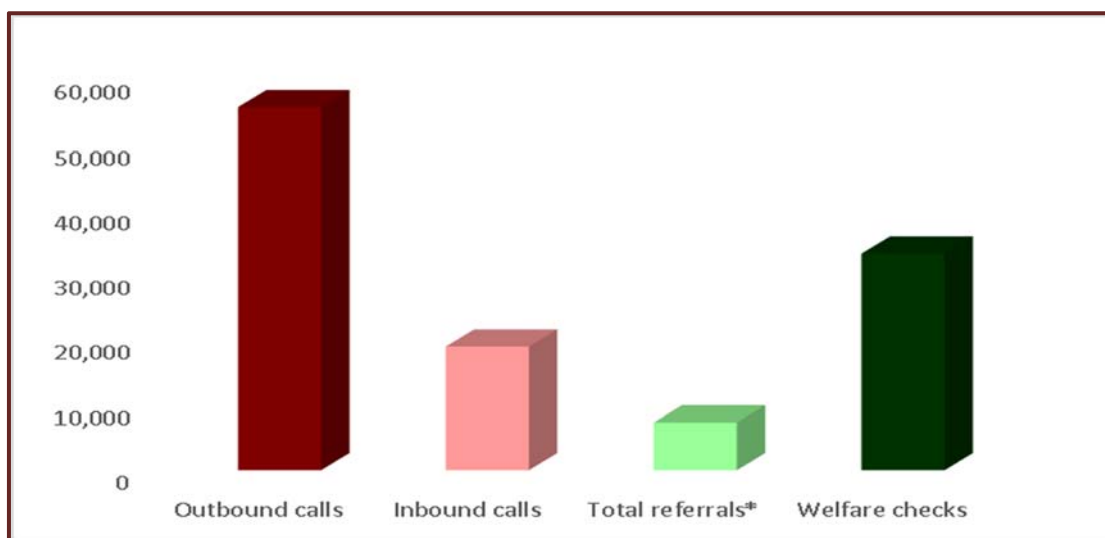
- 5.4 **Life and limb repairs** –Since 23 March we have undertaken 4,592 life and limb repairs. Life and limb includes the following categories: danger to life and limb, serious damage to property, property is left Insecure and all fire safety repairs will continue to be raised and attended within the timescales our system identifies e.g. burst water supply pipes causing flooding (not minor leaks/drips), secure front doors/windows, dangerous electrics, no power or cooking facilities and rain penetration.

- 5.5 The **gas safety service** has evolved as the coronavirus emergency measures continue. We are now finding that some customers do not wish to allow tradespeople into their homes to undertake a service. Our approach is in line with Scottish Government advice. Where customers refuse a service or are unavailable, we take clear notes of communication and will recontact them following the end of lockdown. To date 149 gas certificates have expired across the GHA from over 20,000 homes with gas appliances. Between April and June 3,341 homes with CP12 certificates will expire. Our approach has been to establish a special compliance task force to ensure that we carry out gas inspections in as many homes as is possible, whilst providing customers with the reassurance that we will do so in a safe manner.

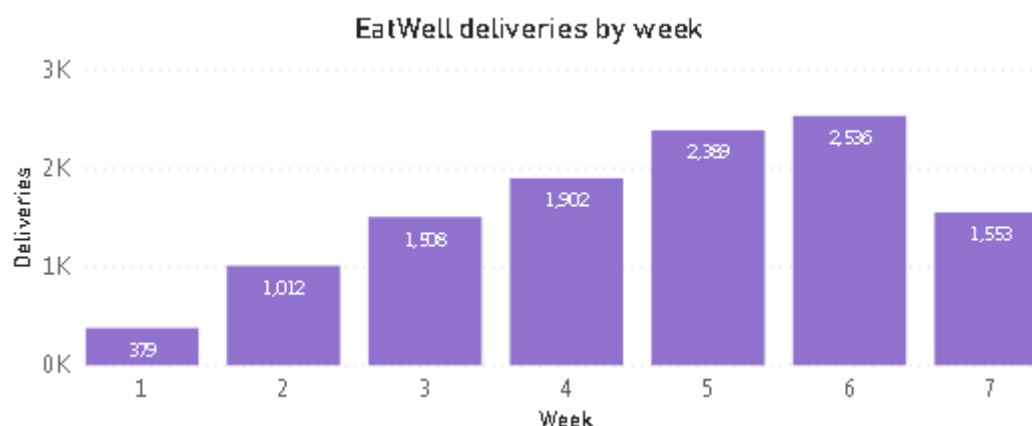
5.6 Supporting our customers in a time of a crisis

- 5.7 Many of our customers are facing difficulties, whether through the loss of work, the need to shield, lack of school and child care or the increased risk of domestic abuse during lockdown. While the majority of these issues are not related to our core care and housing provision, our contact with customers places us in a strong position to help them directly or through signposting.

Our Housing Officers, call centre staff and concierge teams are maintaining regular contact with customers. This contact has a particular focus on those who may be vulnerable and also those who may have issues with paying rent. We have worked with strategic partners to identify which of our customers are in the 'at risk' category for health and have added them to our contact processes. The graph below shows the extent of contact made by our housing officers alone over the period from the start of lockdown.



- 5.8 Housing Officers, wardens and environmental officers have been adept at going the extra mile and "Thinking Yes together" to find solutions to very specific needs. Examples of the support given are included in Appendix 1.
- 5.9 Our **Eatwell** service has been massively expanded to deal with the current crisis. This has been supported through £250,000 of funding from within the Wheatley Group and £350,000 of additional funding from the Scottish Government. As of Friday 8th May, 11,279 free packs had been delivered across all the local authority areas we operate in as shown below. This has amounted to, 6,640 food parcels distributed across the City. There has been hugely positive feedback on the quality of the food parcels.



- 5.10 The service continues to evolve and three local distribution hubs have been opened at the Wyndford, Charles Street and Dougrie Place in Glasgow. This helps to ensure that the service is less reactive. The service has been able to respond to some very acute need by providing deliveries not only in the same day but often the same hour.
- 5.11 **Additional support** is also available to our tenants through welfare benefits advice, fuel advice and the Emergency Response Fund. Our Welfare Benefits Advisors have provided help and support to some customers in very desperate times, helping them to apply for benefit and to navigate appeals and tribunals. Advisors have very successfully adapted to the new experience of appeals and tribunals by telephone, frequently at short notice, often achieving very successful outcomes for customers. Our Fuel Advisors have helped a number of customers who had run out of credit and had no power. They have also helped achieve a smoother and faster process for utility connections in the homes that we are leasing to local authorities for temporary homeless accommodation.
- 5.12 The **Wheatley Foundation Emergency Response Fund** has enabled our staff to support customers with needs which extend beyond food and benefits. This has included mobile phones, fridges and washing machines, baby supplies and pet food. Sadly, we have also provided funding in at least one instance for funeral related costs.

Supporting the provision of emergency homeless accommodation

- 5.13 The requirement for homeless individuals and households to self-isolate or shield has significantly increased the pressure on the availability of temporary accommodation for homeless households provided by local authorities. We have offered approximately 200 suitable voids to our key local authority partners in Glasgow, Edinburgh, Dumfries and Galloway. This figure amounts to 150 homes being offered to GCC on a temporary basis.
- 5.14 Further to the above, liaison is also underway with relevant agencies in relation to accommodation requirements for those fleeing domestic abuse and for the planned early prisoner release.
- 5.15 Wheatley 360
- 5.16 The service model for Wheatley 360 has been completely realigned in many areas to ensure safe working and, as far as practically possible, services continue to be delivered.
- 5.17 The Anti-Social Behaviour Investigation team continue to deliver a service via home working and they are providing a same day response for all ASB complaints received across Group. All serious incidents are being progressed via partner agencies, in particular Police Scotland, who are still able to provide a physical presence and carry out onsite investigations. The focus of the team is to provide reassurance to all complainers, log and record all complaints and to triage complaints to ensure the most serious and repeat complaints receive the appropriate response.

5.18 The table below summarises the caseload over the last six weeks.

Week	Subsidiary	No. of Incidents Reported by Customers	Category A	Category B
Week 1-7 23.03.2020 - 10.05.2020	GHA	1,141	61	763
	CUBE	168	12	123
	LORETTO	32	0	22
	DC	130	11	79
	WLHP	20	1	12
	BARONY	6	0	4
TOTAL		1,497	85	1,003

- 5.19 Fire safety remains a key priority for us and our multi-storey blocks continue to be fully operational and staffed appropriately. Our resources have been realigned and shift patterns reconfigured to ensure this continues to be the case. We are adhering to social distancing guidance but core work in relation to fire safety and additional cleaning is being carried out on a daily basis. Lift cleaning has been especially important in an MSF context to provide customers with the assurance that they are living in a safe and well looked after environment during lockdown. Importantly our multi-storey staff members are also providing a vital point of contact and assistance while people are in lock down.
- 5.20 Following the suspension of our grass cutting and close cleaning services a smaller environmental team has continued to operate to patrol all stock types and areas on a daily basis and remove bulk and other items which are a fire safety risk. They have also assisted older or more vulnerable customers who have been unable to move their waste to the correct area and are playing a key role in the delivery of our EatWell food packages. The NETs have demonstrated a great “Think Yes” approach to helping our customers and some examples are included at Appendix 1.

Working with local organisations

- 5.21 GHA is working to support local third sector and community based organisations. This has involved funding, practical support and access to locations for parcel distribution.
- 5.22 In Glasgow and the surrounding area we have been working with more than forty organisations ranging from those which operate city wide to some small organisations in local communities. These include FARE, Drumchapel Foodbank, Love Milton, Scottish Association for Mental Health, local foodbanks and Glasgow Women’s Aid.

Other developments

- 5.23 Over the last eight weeks we have maximised the benefit of our strong partnership relationships with Government, local authorities and other agencies to try to ensure the best results for the housing and care sector and most particularly for our customers.

- 5.24 We attend virtual meetings of the Scottish Housing Resilience Group which helps to advise the Scottish Government in relation to housing policy through lockdown and beyond. We have used this forum to ensure that the Government is aware of issues on the ground, to encourage changes to guidance and legislation where this is required and to provide support to lobby for change elsewhere.
- 5.25 We have been able to lobby the Department for Work and Pensions, Scottish and UK Governments around key asks and issues, particularly in relation to improving the customer experience in making a claim for Universal Credit, the challenges faced by our customers in applying and the impact that issues such as the five-week wait are having on customers.

Future developments

- 5.26 We are currently investigating a number of other avenues to support our customers and stakeholders and to continue to evolve our emergency business model including:
- Working in partnership with organisations specialising in support to those facing domestic abuse to ensure pathways to assistance and potential provision of accommodation;
 - Liaising closely with Scottish Government to seek additional funding to support our communities in relation to non-food items;
 - Lobbying government for potential changes to statutory requirements, benefit issues and fuel poverty issues which affect our tenants. In particular, the Chair has written to the Secretary of State for Work and Pensions to request changes in areas such as allowing backdating of benefit payments, deducting rent automatically from advances received by claimants and ending the five-week wait for the first payment under Universal Credit;
 - Reviewing options for business priorities in the first phase of any easing of lockdown; and
 - Working with partners to support the early prisoner release programme.

(ii) How we are managing and protecting our staff

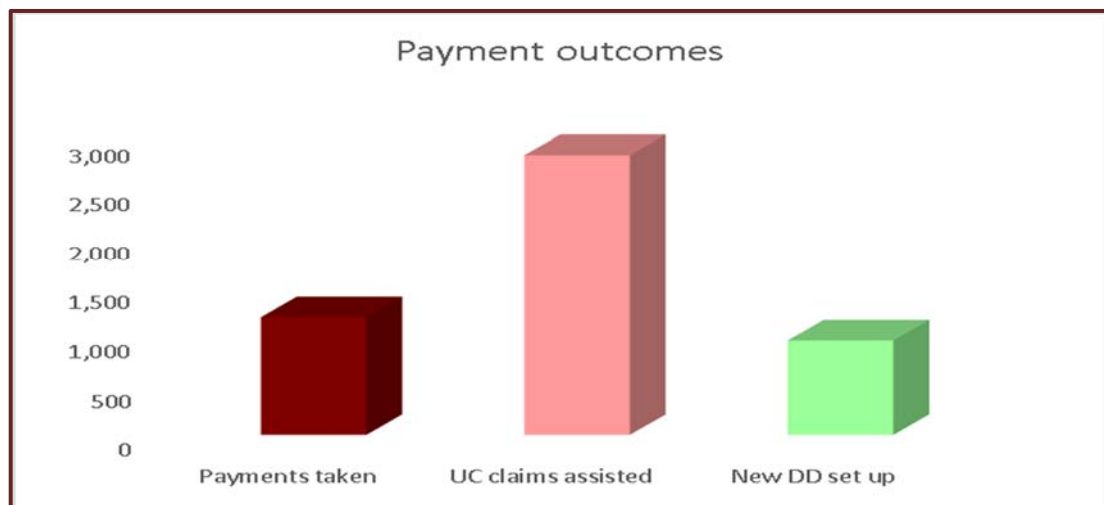
- 5.27 We have supported the “Stay Home, Stay Safe” approach by ensuring all noncritical staff are working from home. This includes:
- All Housing Officers;
 - All central support staff;
 - Care staff who are providing support by telephone;
 - Closing most common rooms in MSFs and LivingWell. The only two open are used by community groups for food distribution; and
 - Ceasing investment works and new build development.
- 5.28 We are following the Scottish Government’s guidance in respect of care staff and those working with customers, for example in supported housing settings, our concierge and those doing cleaning (for example in lifts). Occupational Safety Manuals have been updated with the relevant guidance about when and where to use personal protective equipment and how to implement social distancing requirements. This has been supplemented by an additional message from the Chief Executive to reinforce the guidance. Staggered lunch breaks and altered work patterns have also been put in place where necessary to maintain social distancing.

- 5.29 Phone and video-conference meetings have replaced face-to-face contact for teams across the Group, with people adapting rapidly to different ways of working and showing great innovation to make sure they keep in touch. Inevitably, some activities are more difficult to do remotely, and after the initial period of change, staff members are beginning to settle into a new routine. This has involved use of collaboration apps such as MS Teams, Zoom and WhatsApp.
- 5.30 These measures have ensured that staff morale and motivation remains high. The evidence from some of our work with customers in Appendix 1 shows that they continue to “Think Yes together” and have taken this to a new level across all aspects of the business.
- 5.31 Given the extent of activity we have suspended, we are proposing to make use of the new UK government scheme to put around 500 staff across the Group on a temporary leave of absence, known as “furlough”. These staff will continue to be paid in full, with no interruption to their benefits or pension service, but in areas such as new build and research and development, where little activity is currently possible, we will be able to claim back salary costs. Over 3 months, this is anticipated to be in the region of £2 million. The furlough period must be reviewed at 3 weekly intervals, and staff can come and go from the list at these break points. Most of the furloughed roles have fallen within administrative functions and modern apprentices.
- 5.32 We plan to track closely the mood of staff over the weeks ahead to try to identify common issues arising and maintain morale when face-to-face contact is impossible. This is especially important with those staff members who are on the furlough leave period. We are already making sure that the positive stories of the difference we are making to people’s lives are shared through our intranet and a daily email to all staff, as well as blogs and planned online events and competitions. We are keen, despite the difficult circumstances, to track the learning we take from this period about how a workforce functions remotely away from the office. This was clearly a theme in our 2025 strategy, and whilst this strategy will now need to be recast in part, we wish to understand which elements of this remote working service model work well and which do not. The priority of this learning, as always, remains what will work best to provide an outstanding service for our customers.

(iii) Financial viability

- 5.33 **Income collection** is a core part of our function and without that income we will not be able to provide the support and accommodation our customers need. Housing Officers and call staff at the Hub have had a firm focus on this work throughout the lockdown period.
- 5.34 Those with missed payments, direct debit rejections or who make their payments through face to face methods have been contacted as a priority. Contact is provided in a supportive manner to identify the issues that customers face. Daily tracking of income shows new UC cases and customers with increasing arrears balances which indicates where attentions and support needs to be directed.

- 5.35 The vast majority of 60,000 plus inbound and outbound telephone calls made by our Housing Officers will have included a conversation in relation to rent. In addition, some specific payment outcomes have been achieved, as shown in the chart below.



- 5.36 Our conversations help customers to switch payment methods where that is helpful to them. Where customers are furloughed we have managed amendments to direct debits to be paid once they receive income. Where they may have other issues we are able to support access to power and review of benefit entitlement.
- 5.37 The biggest challenge in rent collection is the number of tenants who now need to move onto **Universal Credit**. Many of these customers have no previous experience of the benefits system and are delighted to receive much needed advice and support through this journey. Many others were already on Universal Credit but have needed to update information and other details. The number of customers on UC has increased by more than 1,017 (15%) since 20 March 2020 and we have assisted nearly 3,000 customers with UC claims and amendments.
- 5.38 Since 20 March 2020, our Welfare Benefits and Fuel Advisors have supported more than 2,400 customers with benefits and fuel issues, making almost 4,000 contacts with these customers to provide assistance with fuel issues, making Universal Credit and other benefits claims. These have often involved using video and conference calling to assist customers to explain their situations to DWP and other advisors.
- 5.39 Our Tenancy Support Service Plus team have experienced a fivefold increase in the number of customers it supported in the first few weeks of this crisis compared to the previous month, delivering advice and support by phone and via e-mail. Our standard TSS service also continues to provide advice and support by telephone and e-mail. Provision has been made to allow face to face contact where this is essential to the person's welfare.
- 5.40 We have accelerated our use of bulk texting to customers. Initial messages encouraged customers to make contact so that we could help and targeted messages are now being sent to those who have missed payments. The next phase of messaging will provide links to the payment site so that customers can easily pay when they are reminded.

5.41 It is estimated that the additional 1,017 customers now claiming UC could add around £440,700 to our sitting tenant arrears in the short term. However, we are working hard to ensure that customers make payment to their rent where they have received a DWP advance payment and that we are engaging with customers to set up a Direct Debit for on-going payments at the same time their UC payment is due. Where a customer had been furloughed but had not received any pay, we are now starting to receive payments.

5.42 We anticipate an increase in arrears beyond the initial impact of customers moving onto UC. Predicting this is challenging at present, but we have modelled a number of scenarios at Group level, including a scenario that c9,000 (15%) customers pay no rent at all for the next 6 months. This would equate to lost rent of around £20m across group. Set against this risk, we have instigated a number of cost saving measures. The cessation of non-life and limb repairs and investment work is the most significant.

6. Value for money implications

6.1 We continue to work to provide value for money to our customers; prioritising their needs within the constraints of the limitations on staff movement imposed on us.

7. Impact on financial projections

7.1 Set out above. These will continue to be updated as the situation persists over the coming weeks and months.

8. Legal, regulatory and charitable implications

8.1 We have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives, and our offer of support to smaller RSLs who may be unable to effectively deliver services in the current conditions.

9. Partnership implications

9.1 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services. Each of our Subsidiaries works closely at a local level with third sector organisations to benefit local communities.

10. Implementation and deployment

10.1 Co-ordination of all Group activity continues to be led by the Group CEO and Executive Team, who have a group call at least twice daily.

11. Equalities impact

11.1 None noted.

12. Recommendation

12.1 The Board is asked to note this update.

Appendices

Appendix 1: Supporting our customers – some examples

Appendix 1: Supporting our customers – some examples

- A local foodbank made a referral to Glasgow Mutual Aid volunteers on behalf of a customer who they discovered had no power in the house. As a result, she was unable to charge her phone and was therefore isolated from family and from all other sources of support. Glasgow Mutual Aid contacted our staff who immediately arranged a required food package to supplement what the foodbank had been able to give. Our fuel advisor arranged for fuel to be topped up by her supplier to allow her to charge her phone and to cook some food.
- One of our elderly customers with no family was discharged from hospital. His care package had been cancelled, not sure where to turn for help he contacted his housing officer. The housing officer arranged a food parcel, plus fresh food to assist his health condition. Contact was made with his carers to get his package put back in place.
- Our environmental teams went the extra mile to help a tenant with a disabled son. After a request from housing officer, the team set to work building a garden shed to help securely store large medical equipment.
- WBA supported one of our customers who is 25, single and lost his job through the Covid-19 crisis. The young man got a new job, which he was over the moon about, but he could neither afford to buy basic clothing for his new job, nor did he have the money to travel to and from the new job. WBA completed an on-line Scottish Welfare Application for a crisis grant, which allowed him to buy gas/electricity/food and he then used his £58 UC to fill up his car to get to work. Through the Wheatley Foundation Emergency Response Fund we arranged a £50 Asda Voucher which enabled him to buy a basic set of clothes.
- After the Local Authority Bin vehicle dropped the contents of several of the bins over 2 surrounding streets in the Birchwood area, the Housing officer asked for assistance to clear up, NETs team responded (they were not due back till Monday) to clear away all litter much to residents' delight.
- NETs staff member [redacted] saved the life of toddler who had collapsed, by providing first aid assistance (pictured below). Was featured in The Scotsman and a number of other media channels.

[picture redacted]



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Framework for start-up and renewal of activity

Date of Meeting: 29 May 2020

1. Purpose

- 1.1. This report sets out a draft framework for the staged resumption of more of our business operations over the coming months.

2. Authorising context

- 2.1. The Group CEO has responsibility for business operations across the Group. The Covid-19 situation has had a significant effect on these operations and has impacted on the delivery of the Group strategy signed off by the Board late last year. The Board's agreement is therefore sought to the principles of the proposed approach for how we might work over the coming months, subject to the detail of Scottish Government legislation and guidance.

3. Risk appetite and assessment

- 3.1. The Group's risk appetite relating to laws and regulations is "averse"; defined as avoidance of risk and uncertainty is a key organisational objective. The Group strategic risk register identifies the particular risk associated with associated with non-compliance with health and safety requirements.
- 3.2. Our priority in the coming months will continue to be protecting the health and safety of our customers, our staff and the other people they come into contact with. The proposals in this paper seek to do that in the context of some relaxation of lockdown restrictions, but recognising that government guidance may change and mean we have to alter our plans.

4. Background

- 4.1. Since lockdown in mid-March, we have been running a significantly altered operating model, with many staff – including our call centre and housing officers - working from home. We have continued to provide essential frontline services such as life and limb repairs, concierge in multi-storey flats, many care activities and a huge expansion in our EatWell service, to provide food to those in need.

5. Discussion

- 5.1. On Thursday 7th May, the Scottish Government announced that the current lockdown-style restrictions will continue for at least another three weeks. However, there has been progress in reducing the rate of infection nationally, the next review announced on 21 May indicated some easing of restrictions of movement and contact. For scenario planning purposes we had assumed this might include, during June:
- Continuation of the advice to work from home if possible and enforcement of social distancing
 - The ability to extend a family/household “bubble” to include other close relatives such as grandparents, allowing travel to visit these people
 - Approval for a resumption of construction activity in Scotland (which has taken a stricter line than England, effectively banning all activity at present), based on strict controls designed to maintain social distancing
 - Reintroduction of the ability to move house, again based on maintaining social distancing
 - An increase in the range of shops that may be permitted to open
 - Acknowledgement by the Scottish Government that staff may return to workplaces such as offices and factories, but on strict condition that 2 metre social distancing can be enforced
- 5.2. In anticipation of this, we have been planning for some weeks what our “phase 2” response might be, and what services and activities we would reintroduce. We have also carried out a review across the organisation of what has been working well, how we have addressed challenges, and what we might need to do differently as we approach the next phase.
- 5.3. Clarity and transparency will be vital as we adapt our service model in the next phase. A comprehensive internal and external communications strategy will be needed to explain to staff, customers and stakeholders why we are reintroducing certain services (or not), and how people will be kept safe as we do this. Close working with our trade union partners will be important in developing this.
- 5.4. Our proposals are set out below, detailing the current service/activity and how this would change for an assumed period from June to the end of September. It should be emphasised that these are provisional plans at this stage, and may need to be altered depending on what the Scottish Government decides in the coming weeks. Some indicative considerations for the period beyond this to the end of the year are the discussed.

Housing and Environmental Services

- 5.5. *Current operating model: mid-March to end of May*
- Housing officers all working from home
 - Call centre staff all working from home
 - Priorities have been welfare calls, referrals for food distribution and supporting tenants who have had difficulties paying their rent, e.g. phone/online benefits advice
 - Concierge presence retained in multi-storey blocks, including cleaning and fire safety checks

- Grass cutting and other environmental maintenance and cleaning generally suspended
- Letting of new homes suspended and all void properties offered to local authorities for homeless people under lease arrangements
- Reduction in our police resource through the Community Improvement Partnership, as these staff have been recalled by Police Scotland (although our remaining resource has continued to be focused on areas with the most acute anti-social behaviour and serious crime issues)

5.6. *Potential operating model: June to September*

- Introduction of a face-to-face arrears and debt counselling team of housing officers (15-20 staff across Group)
- The remainder of housing officers continue to work from home
- Call centre staff continue to work from home, other than night shift, which would return to Lipton House
- Welfare calls, food distribution and benefits support remain high priorities for outbound calling – with a particular focus on ensuring those on the shielding lists are contacted regularly and supported where possible
- A presumption in favour of outdoor environmental work and most indoor cleaning work carried out by our own staff recommencing (e.g. grass cutting, close cleaning), unless specific circumstances make two metre social distancing impossible or impractical. This would be carried out in most cases in the early morning or late at night, to minimise “passing traffic”, with supplementary specialist deep cleans involving full disinfectant etc. on a regular basis
- Resumption of direct letting, with a particular focus on homeless people and those experiencing/at risk of domestic violence, meaning void clear-out and improvement work could also resume
- Increase in available community police resource (although not back to full capacity), allowing greater intervention in some anti-social behaviour situations

5.7. Where our services have been delivered effectively by home working staff, they should continue to be carried out this way. Our “virtual call centre” has worked well, albeit on a much-reduced call volume, and it is proposed that we continue with this model. We will return staff from furlough as required to meet demand. While housing officers can carry out many of their activities by phone or even video call, there are some situations where a face to face visit may be required, particularly in relation to persistent refusal to engage with us on rent arrears. For that reason, we propose a small team of housing officers who would focus on face to face collections and act as a point of referral for the rest of the housing officers. We would temporarily expand some patch sizes to cover those of the re-allocated housing officers.

5.8. These staff will be exposed to a greater degree of risk than home-based housing staff. They will operate on the premise of maintaining two-metre social distancing when talking to customers. They will also be provided with suitable PPE, including the minimum grade of face mask recommended by the Scottish Government and World Health Organisation for care providers dealing in close quarters with patients who may be infected with Covid-19, known as an “FFP2” mask. A comprehensive PPE strategy will be required across all of our activity to ensure no staff are left without appropriate protection.

- 5.9. Having suspended non-essential environmental maintenance and cleaning activity, we now propose to reintroduce these tasks. However, our local environmental team leaders will continue to use judgement on whether social distancing can be maintained, and in some cases the layout of buildings (such as narrow closes/stairwells and a large number of people passing close by during cleaning) might make this impractical. Again, we would provide staff with suitable PPE in line with Scottish Government guidance. Our guidance to staff will have to evolve in some areas, such as travel; continuing to give clarity in areas such as the numbers of people who can travel in vans.
- 5.10. We have been operating a rapidly growing emergency food offering to vulnerable customers through our EatWell service. This was successful in attracting £350,000 of Scottish Government funding in April. We would envisage the continuation of this during the next three months; it is proving to be a lifeline for many customers. However, this has involved a number of environmental operatives being reassigned from their previous duties. If we introduce more environmental maintenance, we will need to ensure the balance of staff between those carrying out different activities is sustainable. A number of staff will need to return from furlough.
- 5.11. We envisage that a resumption of letting activity might be possible, albeit using different approaches. For example, any accompanied views would need to ensure the housing officer “hangs back” two metres at all times, and in some properties this might mean waiting outside the front door which a prospective customer views a property. Similarly, issues of utility connections and signing tenancy agreements which typically involved close personal contact, would need to be done in new ways. Tenancy agreements could be signed in electronic form (simple to do in pdf on an iPhone, for example), or handled with disposable gloves, placed on a table from which the housing officer then backs off, etc. It remains to be seen whether removal services will be available to customers, although this could in theory be done while maintaining social distancing.

Commercial letting and factoring

[paragraphs 5.12 - 5.16 redacted]

Repairs, investment and building safety compliance in existing stock

5.17 *Current operating model: mid-March to end of May*

- Life and limb repairs only (i.e. those which protect customer health and safety)
- All major capital investment work suspended, including smoke and heat detector installation
- Void work done only by City Building in Glasgow for the Council as part of its role in letting to homeless customers; no direct void work done for us
- Fire risk assessments suspended
- Gas servicing not enforced where customer refuses

5.18 *Potential operating model: June to September*

- Repairs expanded to include some non-emergency work, where this can be safely carried out with social distancing
- Void work resumed in line with re-opening of letting
- Capital investment resumed only for legislative compliance work (such as smoke and heat detector installs – unless Scottish Government changes the legislative deadline from February 2021) and external/outdoor activities such as roofing, fencing, paving
- Fire risk assessments to resume, including in high-rise blocks
- Resumption of enforced gas servicing and prioritisation of catch up on those which have exceeded 12 months since the last service

5.19 With the resumption of letting, ensuring we can catch up with the inevitable initial spike in activity will be important. This will mean we need more repairs teams working on getting void properties into lettable condition. Even during lockdown, we have experienced around 75 customers giving up their tenancy each week, generally to move in with family or due to other personal circumstances.

5.20 In the capital investment programme, we will continue to pause internal work in customers' homes and communal areas that could be considered discretionary, such as kitchen and bathroom replacements where there is no specific defect or fault. We do not anticipate that customers would want people in their homes unnecessarily, particularly if the work could be rescheduled for a point when social distancing requirements are less strict. External works such as roofing can be carried out with less close-quarters contact, and so we envisage resuming these.

5.21 We have continued with our daily patrols and fire safety checks in multi-storey blocks, but we anticipate resuming our programme of high rise fire risk assessments. These are typically carried out by a single assessor, and form an important part of keeping our customers safe. Similarly, while we have been using our best endeavours to ensure customers have gas servicing carried out within the legal 12-month timeframe, we have not been enforcing this since late March in cases where customers repeatedly refuse entry. This would change to an enforced provision for social housing. Given the current circumstances we intend to adopt the same approach for our PRS/MMR properties to ensure compliance and reduced the risk to tenants whilst the First-tier Tribunal is suspended.

New build development

5.22 *Current operating model: mid-March to end of May*

- All work suspended
- Contractors are responsible for security of all sites

5.23 *Potential operating model: June to September*

- Activity may resume, subject to enforcement of social distancing

- 5.24 The construction industry has been lobbying the Scottish Government to allow a re-opening of construction sites. The position in England has been less strict than Scotland, where some activity has been permitted to continue. One of the impacts of social distancing on a building site is that tasks may take longer to complete, meaning the timescale for us to receive completed homes may be longer than usual. We have been in regular dialogue with our contractors in recent weeks and all remain committed to holding previously agreed tender prices. However, extensions of time to previous contractual completion dates will be required in all cases.

Back-office support services

- 5.25 *Current operating model: mid-March to end of May*

- All working from home

- 5.26 *Potential operating model: June to September*

- Continuation of home working as the norm; staff visits to offices will be limited to carrying out of essential tasks linked to our phase 2 operating model
- From an HR perspective, a continued freeze on non-essential recruitment, but some essential roles could involve interviews in an office context, with a minimum 2-metre distance observed at all times

- 5.27 Feedback from staff indicates a range of views on returning to an office environment, based on individual preferences for ways of working. It is important that we emphasise that home working remains the presumption, and visits to the office should be the exception, subject to strict rules including social distancing with desk spaces, use of hand sanitiser, one person at a time in lifts, etc.

- 5.28 Across all of our workplaces and care settings, risk assessment will be carried out and Operational Safety Manuals will be updated to reflect new required practices, encompassing handwashing/sanitiser, PPE, distancing, etc.

- 5.29 From July, some evictions are expected to resume for issues other than rent arrears (which were banned for six months). This means some staff, for example in our legal team, may be required to come into the office. Similarly, to support the next stage of frontline working arrangements, IT or asset staff might need to do the same. This would be on as limited a basis as possible.

- 5.30 Given that around three months will have passed since our “phase 1” model was put in place, we anticipate the resumption of our internal audit and assurance activity. The audit plan for the year will be refocused on areas of key risk in the context of our new operating arrangements; for example, areas where risk of fraud might have increased by virtue of home working arrangements or less person-to-person oversight.

Governance

- 5.31 *Current operating model: mid-March to end of May*

- Reduced agendas – keeping the boards updated on what is happening, and items requiring a decision
- Reduced board numbers dialling in to allow easier management of conference calls/video calls

5.32 *Potential operating model: June to September*

- Continuation of current arrangements
- 5.33 Board meetings in person generally involve between 10 and 15 people when staff are taken into account, and it will continue to be difficult to enforce appropriate social distancing in this context. For that reason, we envisage a continuation of the current “virtual meeting” arrangements.

Care

[paragraphs 5.34 – 5.37 redacted]

6. Key issues and conclusions

- 6.1. Between now and the potential point of an assuming easing of restrictions, whether it be June or slightly later, there are a number of preparatory tasks to be completed. These include:
- An examination of all policies and procedures that require face to face contact and an assessment of how these need to be changed to function in the “new normal” to which the Scottish Government has referred
 - A new housing allocation process needs to be designed, taking into account the considerations discussed above
 - Plans need to be implemented for how offices will be reconfigured to allow minimum 2-metre social distancing and other infection control procedures to be put into effect (noting a very limited number of staff will be using our offices), with operational health and safety procedures manuals updated accordingly
 - A new annual leave policy to be developed, and working principles to be defined for those who may have children involved in partial attendance at school
 - A more systematic “audit” of home working arrangements to identify where improvised home set-ups are inadequate, and personalised support to address this (eg video consultations by health & safety team, issue of work chairs, monitors etc)
 - A new strategy for new build tendering, informed by the condition of the construction market and costs/prices; this will include finalisation of the £15m on-lend from GHA to Lowther and a strategy for how that will be invested
 - Gas servicing - planning for the catch up so we can achieve 100% compliance with the 12-month rule as soon as possible
 - Voids – prioritising the workflow, with those requiring least work to be done first
 - Planning the workforce requirements for the phase 2 operating model - for example, the housing officer arrangements and number of void teams required

- A comprehensive communication strategy will need to be developed for all staff, customers and stakeholders to explain clearly what our phase 2 model is, and why and how we will restart certain services

6.2. We currently have over 500 staff on furlough (across group). This is generating significant income; around £2.4m over three months, helping offset, at least temporarily, the increase in rent arrears. Prior to agreeing any return to work for furloughed staff – and assuming these furlough scheme continues beyond the end of June, we will test the “business case” for each area in the context of the service model set out in this paper. Each area of the business will need to set out their proposals in the following template:

	Weeks 1-8 (June – July)	Weekly 9-16 (August- September)	Notes/comments
Number of staff currently furloughed			
Proposed staff to return (list names and job titles)			
Monthly lost furlough income caused by staff returning			
Service priorities			
Outcomes and how these staff will deliver them			

6.3. In light of the above proposals, it will be important that the staff who are “reactivated” to work in restarted activities feel confident that they are doing so in line with Scottish Government advice, and are supported properly with personal protective equipment and any other help they need to do their jobs.

6.4. For that reason, we will use our role on the National Housing Resilience Group, as well as other contacts with the Scottish Government to make the case that a wider group of staff should be designated as “key workers” moving into the next phase of the country’s pandemic response. This would include, but not be limited to:

- Housing officers
- Legal staff involved in court processes
- IT staff key to supporting permitted activity

6.5. Staff on this list of phase 2 key workers will also be issued with letters confirming their status to allow them to travel to and from their place of work in the event of being stopped and challenged by the police.

6.6. Looking beyond September to the end of the year, and without a widely available vaccine, it is unlikely that we will be experiencing a return to full “normal” business operations. Other activities that we will need to carry out in the coming months therefore include:

- An assessment of how our service model stood up to the current environment, and what lessons can be learned from this;
- Linked to this, a review of our 2025 strategy, including areas such as our approach to office accommodation, remote working and new build targets

(noting we have significantly accelerated parts of this through our current home working arrangements);

- An evaluation of how effective our stakeholder management has been and what lessons can be learned from our experiences;
- How we continue to support our most vulnerable customers, including those who may be on the shielding list for some time to come

7. Value for money implications

- 7.1. The approach set out in this paper is designed to ensure we deliver as much value as possible for customers, while keeping them and our staff safe. That is why our focus remains on essential health and safety activity, and supporting customers with help, advice and food.

8. Impact on financial projections

- 8.1. Our business plan financial projections, last updated and approved by Boards in February, are being revised at present to take account of the new context. These will be shared with Boards in the coming months.

9. Legal, regulatory and charitable implications

- 9.1. The approach set out in this paper is based on an anticipation of how the Scottish Government legislative and guidance framework might evolve in the coming months. Our proposals may therefore need to change as the detail of such government advice develops. We continue to notify the Scottish Housing Regulator of changes to our operating model and services through their “notifiable events” web portal.

10. Implementation and deployment

- 10.1. The Executive Team will direct the deployment of the proposals set out in this paper.

11. Partnership implications

- 11.1 Our new partner, Dumfries & Galloway Housing Partnership, is fully integrated into our Coronavirus response plan, and the proposals in this paper apply to all parts of the Group.

12. Equalities impact

- 12.1. We will continue to take special account of those who have underlying health conditions or are shielding. The latter category of staff will not be required to leave their homes and it is recognised their ability to work may be restricted by the shielding provisions in force.

13. Recommendations

- 14.1 The Board is asked to agree the proposals set out in this paper in principle, subject to the timing of their implementation and any adjustments necessary to ensure ongoing compliance with Scottish Government legislation and guidance.



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Annual Return on the Charter and year end results 2019-20

Date of Meeting: 29 May 2020

1. Purpose

- 1.1 This report provides the Board with draft results for the 2019/20 Annual Return on the Charter (“ARC”) for approval prior to submission.
- 1.2 Final verification of ARC results is still underway to ensure that all figures validate correctly for submission. In order to allow any changes to be made this report requests delegated authority to the Group Director of Housing and Care to submit the ARC results (including the Energy Efficiency Standard for Social Housing) on behalf of the organisation and to sign off any non-material changes if required subsequent to the Board meeting.

2. Authorising Context

- 2.1 Under the terms of the Intra-Group Agreement between GHA and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the GHA Board is responsible approving regulatory returns. It is also responsible for monitoring of performance against agreed targets. In the case of GHA, this includes the on-going performance of its services. In addition, the Group Authorising Framework states that the GHA Board is responsible for approving any changes to their Service Delivery Model or arrangements which it may consider necessary in order to deliver the level of performance to achieve agreed targets.

3. Risk Appetite and Assessment

- 3.1 Our agreed Group risk appetite in relation to Board Governance is “cautious”. This level of risk tolerance is defined as *“Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward”*.

4. Background

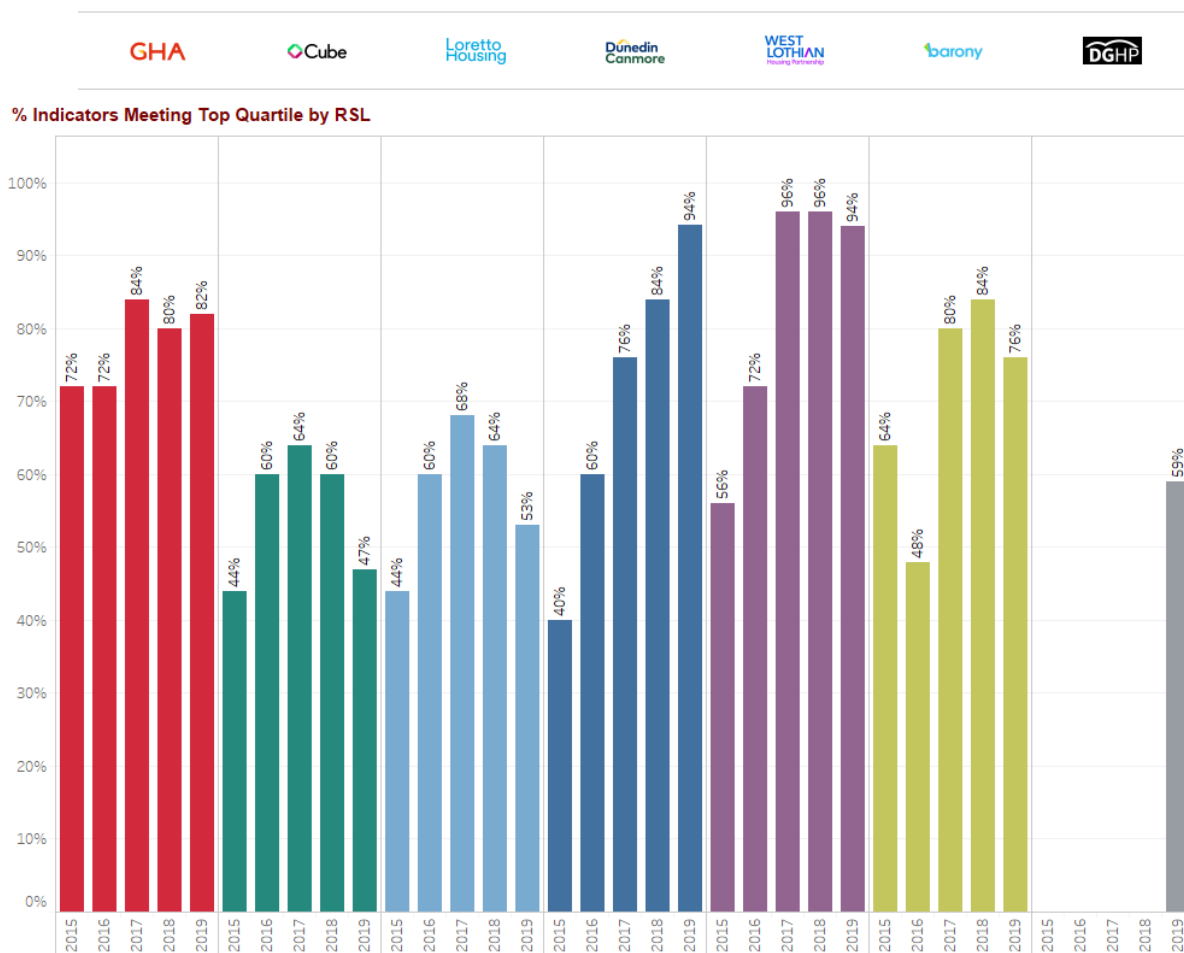
- 4.1 Social landlords are responsible for meeting the standards and outcomes set out in the Charter and are accountable to their tenants and customers for how well they do so. The Charter is part of the Scottish Housing Regulator’s (“SHR’s”) assessment of how these outcomes are being met.
- 4.2 All RSLs and local authority housing services are required to complete the Charter indicators and submit these by 31 May each year.

- 4.3 Due to COVID19, this deadline has been extended to 31 July 2020. Results for all organisations will be published on the SHR website later in the year; we are awaiting confirmation of when this will be. These enable tenants and others to compare results between organisations. Benchmarking of performance will be reported to a future meeting once wider information is available.

5. GHA Performance

- 5.1 The key strategic aim in terms of RSL performance across the Group is to demonstrate excellent performance by ensuring that 80% of Charter indicators are at top quartile levels by the end of the strategy timescale. Encouragingly we have finished out our five-year strategy 'Investing in our Futures' by exceeding top quartile results. Our strong performance should be viewed against the benchmark of delivering sector leading performance across majority of indicators.
- 5.2 The graph below shows progress to top quartile for each Subsidiary. This shows that we **have exceeded 80% of ARC indicators at top quartile level** as set out in the 2015-2020 "Investing in our Futures" strategy. This shows that performance has remained consistently high which is a significant achievement in light of the challenges we have faced in relation to Universal Credit.
- 5.3 Appendix 1 shows the draft final results for submission in the ARC. Though the overall top quartile performance is down from the 2017 figure of 84%, we have bettered the 2018 figure of 80% by achieving 82% in 2019. The 2018 figure is well above the 2015 and 2016 figure of 72%.

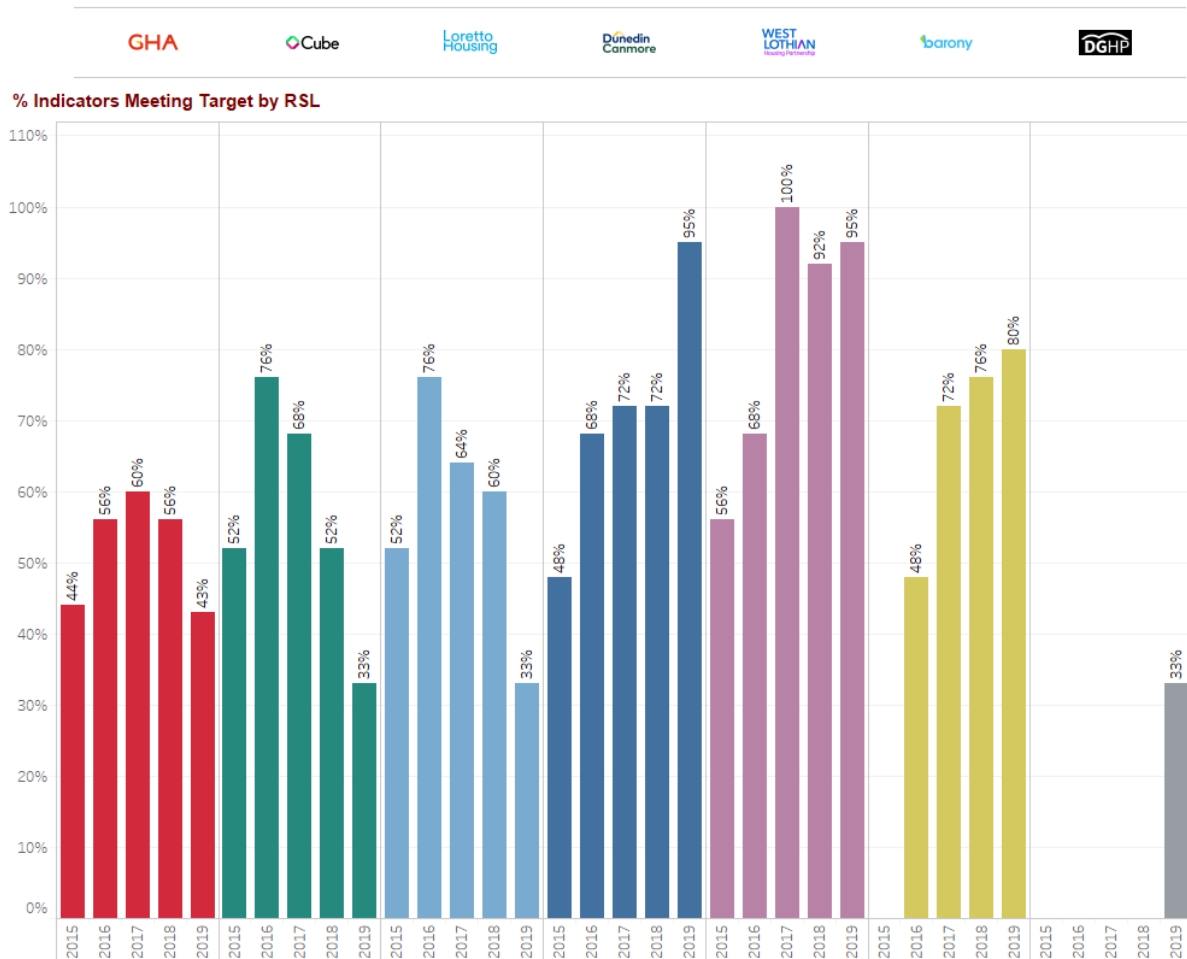
Table 1 –Top Quartile Performance across Group



- 5.4 The following details where our performance continues to be above top quartile and target relate to:
- performance in relations to completion of emergency and non-emergency repairs;
 - tenants satisfaction with repairs and maintenance work;
 - all gas safety checks completed within statutory timescales timescales;
 - average time to complete approved medical applications;
 - %age of new tenancies sustained for more than a year;
 - %age of rent due lost through properties being vacant; and
 - %age of lettable homes that become vacant.
- 5.5 The main areas where we have seen a year on year reduction in performance relate to elements of customer satisfaction. In late 2019, we commenced an annual independent tenant satisfaction survey (by BMG Research) to measure six indicators. This survey was carried out at the same time as the roll out of Universal Credit. The previous year there were 853 Universal Credit cases which had risen to 5,609 at the time of the survey. Another recurring theme in the feedback relates to confusion about who has statutory responsibility for the management of the wider environment.
- 5.6 The results of this survey will be incorporated within our ongoing tenant Engagement Strategy and specific actions relate to: ‘%age tenants satisfied with the opportunities given to them to participate in their landlord’s decision making processes’ achieved 80% against the top quartile of 83%. Despite providing a range of new options to participate within our decision making such as ‘Voice of the Customer’ and the North West Facebook group this indicator fell from the 2018 figure of 85%.
- 5.7 We will need to focus our efforts for engagement through the Wheatley wide Engagement Strategy, which is in draft, to exceed evolving customer expectation around engagement and factor in to our post Covid19 plans. Innovative new approaches such as ‘You choose challenge’ as outlined within ‘Inspiring Ambition, Unleashing Potential’ will go to the very heart of this issue. We will leverage technology to crowd source ideas.
- 5.8 We will also launch a campaign of engage more customers in the development of our service such as tenant inspect, including KSB assessors, Customer Journey mappers, focus groups and a scrutiny panel. A full training and development programme will be put in place to enable easier participation. The majority of this will be informed by the emerging remobilisation plans that are being developed.
- 5.9 ‘%age annual existing tenants satisfied with the quality of their home’ which narrowly missed the top quartile of 88% by achieving 87%. The key driver analysis has identified that the top influencers for overall satisfaction are satisfaction with the quality of home (31% level of importance). A key variable in improving this perception will centre around the kitchen and bathroom investment works scheduled for 2020/21 and associated communication around the programme.

- 5.10 This will be directly addressed through planned investment in KBRs as soon as the can be practically resumed. Gaining access to carry out these intrusive works will be guided by current shielding information on customers and CBG operatives complying with social distancing and using appropriate PPE. A communication campaign around investment works was already in advanced stages of being deployed prior to lockdown. This will be revisited as soon as current restrictions are lifted.
- 5.11 ‘%age annual tenants who feel that the rent for their property represents good value for money’. The extensive programme of pop-up events held over the summer of 2019 and publicity material on what rent pays for has helped boost the results achieved. Whilst the figure is short of the top quartile benchmark of 85%, the result achieved in 2019 is 79%. This is a 3% improvement on the figure of 76% which was achieved in 2018.
- 5.12 Each year the Board approves targets to either maintain current sector leading performance or to stretch performance to meet or exceed top quartile. We have met 43% (9) of the stretch targets set for the 21 measures in 2019/20. Nine of the remaining targets are in amber variance of 0-10% (ie have missed target by a small margin) of the stretched target. Most of our targets were set at or above the top quartile benchmark and at a higher level than other Subsidiaries within the Group.
- 5.13 Table 2 below shows how this compares to other parts of the Group. However, it should be noted that each Subsidiary has targets set to its own performance context.

Table 2



5.14 The majority of our targets are in excess of what is top quartile performance within comparable Scottish RSLs. While target has not been achieved in some areas, the performance has achieved the top quartile benchmark. As detailed above, customer satisfaction has impacted on the achievement of both top quartile and targets. The following are the three indicators where performance has not met the stretch target set in 2019/20:

- Indicator 14. ‘%age tenancy offers refused during the year’. We achieved 32% against a target of 21%. This figure is in line with performance reported in 2018. We will work towards improvements on the quality of advertising on MyHousing when lockdown ceases and business as usual lettings commence.
- Indicator 27. ‘%age gross rent arrears’. We achieved 4.8% against a target of 3.99%. This result should be seen in the context of the roll out of Universal Credit and the increase of gross rent arrears across the sector. We ended 2018/19 with 6,889 customers with the Universal Credit tag which has impacted upon rental income performance.
- Indicator 29. ‘%age annual owners satisfied with the factoring service’. We achieved 60% against a target of 72%. This result is based on a three-year survey which was carried out in 2018. The customer profile has become much younger in Your Place of recent and tends to be less satisfied than the general needs customers.

6. Value for money implications

6.1 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

7. Impact on financial projections

7.1 No implications.

8. Legal, regulatory, and charitable implications

8.1 Registered Social Landlords are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are included in monthly performance reporting. RSL Subsidiary Boards approve the final return and this information is included in the year end performance report to the Wheatley Group Board. RSLs are also required to involve tenants in the scrutiny of performance (this is done through our Tenant Scrutiny Panel) and to report to tenants annually.

9. Partnership implications

9.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened or amended to help Wheatley achieve its strategic vision.

10. Implementation and deployment

10.1 Not required.

11. Equalities impact

11.1 There is no direct equalities impact from this report.

12. Recommendations

12.1 The Board is asked to:

- 1) Approve the draft 2019/20 Charter results;
- 2) Delegate authority to the Group Director of Housing and Care to sign off any non-material changes to the results which may be required prior to submission; and
- 3) Delegate authority to the Group Director of Housing and Care to sign off the Charter and EESSH submissions on behalf of the Governing Body.

List of Appendices

Appendix 1: 2019/20 Draft ARC results

GHA Charter Indicators	2018/19 Results	2019/20 Draft Results	19/20 Target	TQ
ARC survey questions measured annually				
No new factoring satisfaction survey in 2019/20				
01. % Annual tenants satisfied with the overall service	90%	88%	90%	88%
02. % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions	92%	88%	93%	86%
03. % Complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	New	97.13%	Baseline Year	
04. Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 - Overall	New	5.09	Baseline Year	
05. % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	85%	80%	87%	83%
06. % Stock meeting the Scottish Housing Quality Standard (SHQS).	99.22%	99.36%	98.3%	96.25%
07. % Annual existing tenants satisfied with the quality of their home	89%	87%	89%	88%
08. Average time to complete emergency repairs (hours)	2.79	2.88	3	4.04
09. Average time to complete non-emergency repairs (working days)	5.68	5.48	5.5	8.49
10. % Reactive repairs completed right first time	96.01%	95.93%	97.50%	95.05%
11. Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	New	0	0	
12. % Tenants satisfied with repairs or maintenance carried out in last 12 months	94%	94%	94%	94%
13. % Annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	New	82%	Baseline Year	
14. % Tenancy offers refused during the year	32%	32%	21%	32%
15. % Anti-social behaviour cases reported in the last year which were resolved.	New	100%	Baseline Year	
16. % New tenancies sustained for more than a year - overall	90.87%	90.35%	93%	89.67%
17. % Lettable houses that became vacant	8.24%	8.38%	8.50%	8.41%
18. % Rent due lost through properties being empty	0.36%	0.43%	0.50%	0.72%
19. Number of households currently waiting for adaptations to their home.	New	93	Contextual	
20. Total cost of adaptations completed in the year by source of funding (£).	New	£1,740,296	Contextual	
21. Average time to complete approved applications for medical adaptations (calendar days)	18.95	17.60	25	30.71
22. % Court actions initiated which resulted in eviction - overall	59.39%	29.70%	25%	
23a. % Referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	New	49.47%	Baseline Year	
23b. % Offers made to LA Section 5 and other referrals for homeless households that result in a let.	New	68.54%	Baseline Year	
25. % Annual tenants who feel that the rent for their property represents good value for money	76%	79%	83%	85%
26. Rent collected as % of total rent due	99.01%	98.34%	99.70%	
27. % Gross rent arrears	3.9%	4.8%	4.0%	4.8%
28. Average annual management fee per factored property.	£148.13	£184.53	Contextual	
29. % Annual owners satisfied with the factoring service	60%	60%	72%	
30. Average length of time taken to re-let properties (calendar days)	15.79	15.44	14	27.67
Meeting Top Quartile				82%



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Alertacall expansion

Date of Meeting: 29 May 2020

1. Purpose

- 1.1 To update the Board on the progress to date with the roll out of two hundred Alertacall units to general needs customers across group, including GHA.

2. Authorising Context

- 2.1 The activities addressed in this report are principally of an operational nature, and are therefore delegated to the Group CEO under the Group Standing Orders. The Board are asked to note and comment on the progress to date.

3. Risk Appetite and assessment

- 3.1 The agreed risk appetite to Growth is “open” which is defined as “willing to choose the option most likely to result in successful delivery while also providing value for money.

4. Background

- 4.1 Alertacall currently offers an innovative approach and product for daily contact with customers across our twenty-four LivingWell sites. It is delivered through a tablet based device or specialised phone unit. This is known as the ‘OK Today’ service. Many housing providers across the UK use this service to communicate with and safeguard their customers. This service can ensure that we have daily contact with our most vulnerable customers 365 days a year.
- 4.2 The Alertacall (OK Today) system is an integral part of the LivingWell model. The service enables customers to “check- in daily” using a button on their phone to confirm everything is well and good at home. If a customer has not “checked in” by their predefined timeslot, there is an escalation process which includes Alertacall call centre staff contacting the customer initially with further escalation to LivingWell staff, appropriate agencies and/or emergency services where required. The number of escalations and the reasons vary however on average there are four escalations per week out of nine hundred and forty-nine customers.

- 4.3. Customers are able to use their Alertacall device to directly contact our Customer Service Centre or to instruct Alertacall to report repairs.
- 4.4. We are able to send out mass voice messages to customers via their Alertacall devices. This service can be used to alert customers to emergencies such as interruptions to their utility supplies, reminders about fire-alarm tests in their buildings or to keep them apprised of Wheatley news or initiatives in their neighbourhood.
- 4.5. Customers or family members can also use the phones to set up appointment reminders.
- 4.6. An independent evaluation conducted in 2019 found that;

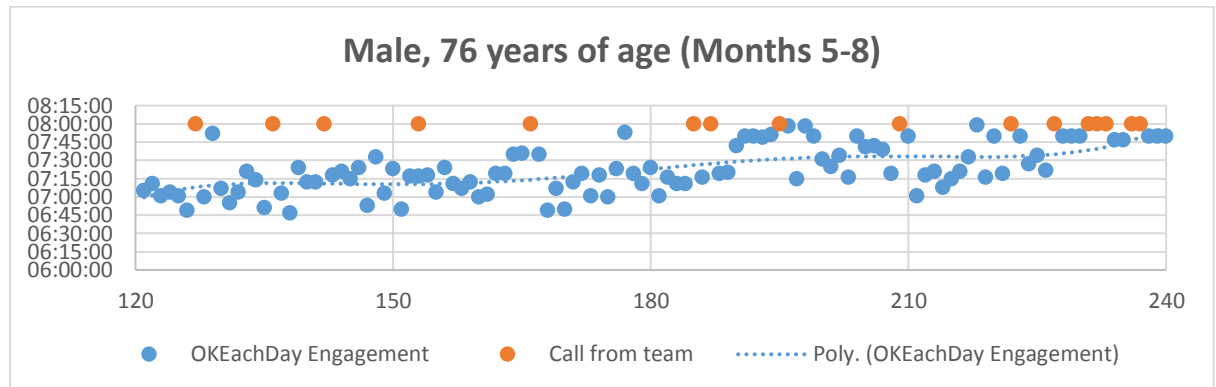
“Most tenants felt that Livingwell made a clear, positive difference to their social connections” and “Most tenants felt that the Livingwell service had helped them to retain their independence while remaining safe in their home”.
- 4.7. In the advent of the Covid-19 lockdown we have taken the opportunity to leverage technology and our existing relationship with Alertacall to better support our customers through extended social isolation.
- 4.8. The Executive Team approved the proposal to widen the reach of the service outside of a care setting. This has involved rolling out two-hundred Alertacall devices to vulnerable general needs customers across group.

4. Discussion

- 5.1. The key aim for introducing Alertacall services to general needs housing is to help reduce social isolation and to ensure our most vulnerable customers are safe and well through the lockdown. It can also help us to better understand how the potential of the system can create broader set of outcomes for our customers.
- 5.2. Customers who currently use Alertacall have consistently commented on the positive impact of the system and the contact with Alertacall staff throughout the day. Reminders for hospital appointments, interactions with Alertacall staff, receipt of birthday cards and ensuring properties are appropriately prepared prior to hospital discharge are a few of the benefits enjoyed by customers.
- 5.3. As social distancing restrictions continue, introducing Alertacall will enable us to connect more readily with some of our older and more vulnerable customers. Utilising the system will allow us to ensure that there is more frequent and systematic contact with those isolated throughout this period by initially targeting older customers who are shielding.
- 5.4. The user friendly interface will allow us to better understand if a customer may require additional support. It will also enable us to push out messages offering support to the most at-risk individuals. The Alertacall system will supplement the extensive contact our Housing Officers already have with our most vulnerable customers. The built in analytics allows us to build up rich data on customers and spot any trends such as changes in behaviour or routines which could signal declining health or wellbeing.

- 5.5. Table 1 indicates that the customer is leaving it later and later in the day to press their 'OK today' button or failing to press it altogether. This elicits more calls from Alertacall staff. This could strongly correlate with cognitive decline or ailing health.

Table 1



- 5.6. The first twenty units were deployed in GHA on 15 April 2020 with the delivery of devices complying with social distancing guidelines. Units were placed outside customers' homes in sealed bags with no physical contact made. Customers were successfully supported through the installation process by Livingwell advisors and Alertacall staff.
- 5.7. From the 17-20 April 85% of customers were successfully using the system. The three remaining customers were contacted by Alertacall and LivingWell staff and offered additional support and guidance. The LivingWell team will continue to support customer until they are comfortable interacting with the unit.

Customer Feedback

- 5.8. Prior to the roll out of Phase 2, we contacted customers in Phase 1 to gather their feedback and help inform improvements which could be factored into each iteration of the roll out.
- 5.9. Customers told us that without exception the delivery and installation process went well. They felt reassured and safe knowing the system was in place. The following are a sample of customer testimonials:

"I find having the system is reassuring for me and my family. My daughter works and knowing I have this system is a great comfort. System is fantastic and a great thing to have in place."

"I found the whole process, from delivery to install, very efficient and the equipment straightforward to install. I might also take advantage of the other Alertacall services, appointment and social events reminding service."

"The service is great I cannot believe how much my housing provider cares."

Implementation – Phase 2 and 3

- 5.10. In identifying potential customers across group, Housing Officers targeted customers over the age of 65 who may have less connectedness with their families or individuals who may have experienced a reduction in their care arrangements as a result of the lockdown.
- 5.11. One hundred and eight customers were identified for inclusion in Phase 2 of the roll out, with all customers connected and using the system by the 30 April.
- 5.12. The install process for phase 2 is again being supported by Livingwell staff and housing staff. In this instance a small number of individuals required practical support from Livingwell Team Leaders to install the equipment and set up the system. Full guidelines in respect of Personal Protective Equipment and social distancing were adhered to throughout.
- 5.13. The successful completion of phase 2 has resulted in one hundred and twenty-two general needs customers connected to the Alertacall service. Table 2 shows the spread of numbers across GHA.

Table 2

Subsidiary	Office	Phase 1	Phase 2	Total
GHA – SOUTH	Castlemilk/		2	2
GHA	Mosspark / Pollok	4	2	6
GHA	Parkview / Darnley		10	10
GHA	Clydeview / South West	7	0	7
		11	14	25
GHA – North West	Clydeside		2	2
GHA	Knightswood/ GWTP		10	10
GHA	Milton/Summerston/Lambhill	9	3	12
GHA	TMH /Garscadden		4	4
		9	19	28
GHA – North East	EECH/Keystone		13	13
GHA	FACT/Tower		6	6
GHA	Compass/unity		11	11
GHA	TCH		24	24
			54	54
GHA Total		20	87	107
CUBE			7	7
Loretto			8	8

Subsidiary	Office	Phase 1	Phase 2	Total
		20	102	122

- 5.14. Phase 3 of the roll out, will involve approximately seventy units deployed beyond Glasgow and will also be offered to customers across DGHP where we can test the benefits of this system in a rural setting.
- 5.15. Phase 3 roll out is programmed to commence no later than 26 May 2020 to allow Housing Officers the appropriate time to engage with customers ensure the deployment lands well. We will prioritise customers who we understand to be shielding. This time will also be used to develop subsidiary specific protocols for escalation processes in the use of Alertacall.
- 5.16. The install for Phase 3 will be supported by the LivingWell team and Housing Officers from the relevant subsidiaries.

Interim evaluation of outcomes and model refinement

- 5.17. Throughout phases 1–3, implementation data and customer feedback will be collated and formally reported on to monitor the impact of the service and the outcomes it engenders. This could also inform the longer term deployment potential across Group.
- 5.18. An evaluation framework will be devised that allows us to measure the impact against a set of intended outcomes which will include:
- Reducing social isolation
 - Customers feeling more safe in their homes
 - Supporting individuals who are shielding to access the appropriate support
 - Monitoring and responding to change in circumstances for our customers
 - Improved communication with vulnerable customers specifically in respect of Health and Safety
- 5.19. The formal evaluation is scheduled to be concluded within three months of full deployment. We will also factor on-going revenue costs associated with this approach as part of the evaluation.
- 5.20. Alertacall have a number of products that support housing management some of which are already being explored for use in our LivingWell and MSF sites. This includes a touch screen android tablet which provides all of the existing benefits of the Alertacall system but offers the following enhancements:
- Enhanced messaging capabilities, including voice, text and image based messaging
 - Provides a smart device to all customers ensuring the initial step on digital inclusion journey for all customers
 - Option to integrate with Wheatley's customer portal to allow for improved digital inclusion
 - Potential for video conferencing

- The touchscreens can be linked to environmental sensors which monitor temperature and humidity within properties

5.21. As part of the High Rise Living Framework we had already started to explore the following three avenues for deploying Alertacall in an MSF context:

- Deploying Alertacall in 415 Nitshill, which has a largely elderly customer demographic
- Rolling out Alertacall as part of the next phase of 415 community hub sites
- As part of the Grenfell Inquiry recommendations, we had considered Alertcall as an urgent means of contacting customers in MSF when the stay put policy changes during the course of a severe fire

5.22. Whilst we are at the embryonic stages of scoping what this offering could look like, there is abundant potential with this approach to have a transformative impact on the lives of some of most vulnerable customers.

5.23. The evaluation will take into consideration the range of products on offer and the longer term financial viability of the Alertacall system including any infrastructure changes required to support future deployment.

5.24. It is worth noting that current costs for the test areas are being met for 6 months by Alertacall. To retain thereafter the cost for each tenancy for the basic Alertacall system is £4.50 per week and is Housing Benefit eligible. It is anticipated that future costs would be met by standard rental income or service charge where appropriate. This on-going revenue cost will form a critical component of the evaluation.

6. Legal, regulatory and charitable implications

6.1 None.

7. Partnership implications

7.1. While no formal partnership is in place with Alertacall we will continue to work closely with them as we explore opportunities to further support our customers across Group.

8. Implementation and deployment

8.1. Short term - three month' implementation plan has been ratified by ET. Deployment has taken place for Phases 1 & 2. Phase 3 roll out is due to commence at the time of this report being drafted.

9. Equalities Impact

9.1. There are no equalities implications arising from this report.

10. Recommendations

- 10.1. The Board is asked to note the progress made with Phase 1 and 2 of the roll out and associated timescales for phase 3.



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Finance Report

Date of meeting: 29 May 2020

1. Purpose

- 1.1 The purpose of this report is to provide the GHA Board with an overview of the finance report for the year to 31 March 2020, the period to 30 April 2020 and seek approval for the 2020/21 Budget.

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between The Glasgow Housing Association and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the GHA Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

3. Risk appetite and assessment

- 3.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 3.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

4. Discussion

Period to 30 April 2020

- 4.1 GHA has reported a statutory deficit of £188k for the period to 30 April 2020, which is **£1,688k favourable to budget**. The majority of budget variances are driven by the changes to the usual operating model implemented in response to the COVID – 19 crisis.

Key points to note:

- Net rental income of £14,799k is reported for April which is £9k adverse to budget. Void losses are marginally £6k higher than budget. Lets for a number of properties have been agreed with Glasgow City Council to assist with homelessness, however the usual re-letting process is on hold for many properties. Rental incomes includes the impact of delays in new build completions for properties expected to complete in late March 2020 following the instruction by Scottish Government to close all construction sites on 23 March.
- No grant income has been recognised following the delay to the completion of the units at Auchinlea. Seven properties had been budgeted to complete in April.
- Operating expenditure is £1,991k favourable to budget with all cost lines reporting lower than budgeted spend in period 1. Employee costs are better than budget by £389k due to income for furloughed staff made under the Government Job Retention Scheme. The repairs service was being delivered on a “life and limb” only basis during April, leaving spend £932k favourable to budget. Provision has however been made in the month for an additional overhead payment of £471k to City Building (Glasgow) (“CBG”) which represents GHA’s share (as a 50:50 partner with GCC) of the fixed costs of the joint venture which CBG have not been able to recover in the usual way due to the lower activity levels. A similar £660k provision has been made against core capital investment programme.

4.2 GHA has reported net capital expenditure of 2,733k for the period to 30 April 2020, which is £4,816k lower than budget. This variance is mainly driven by the low spend levels incurred in the investment and new build programmes compared to budget. Key points to note:

- The investment programme is £2,461k lower than budget, driven by the delay to starting new works during the lockdown. Spend of £1,572k includes costs for boiler and cladding repairs, capitalised staff and provision for a payment of £660k to CBG to support unrecovered fixed costs.
- New build spend is £4,578k lower as a result of the closure of construction sites on 23 March. Spend of £640k in the month relates to professional fees and capitalised staff only.

Year to 31 March 2020

4.3 GHA reported a statutory surplus of £1,750k for the year to 31 March 2020, which is **£868k favourable to budget**. Interest savings delivered during the year allowed us to deliver a surplus while making greater provision for Universal Credit arrears, as well as instigating a number of structural changes to the workforce - reducing the age profile in a number of areas (particularly environmental and housing officers), introducing a graduate programme, and changing the senior leadership structure in GHA.

4.4 Net capital expenditure is £81,604k for the year which is £11,158k less than budget – this was due to lower spend on new build than forecast. We are updating the business plan to reflect scenarios of the potential impact from current restrictions and will bring this to the next Board meeting.

Key points to note:

- Grant income released to the Operating Statement was £653k unfavourable to budget due to the timing of handovers. It was expected that 39 properties would be handed over in period 12 but these have been held up due to the closure of construction sites. In March 14 units were completed. These additional 25 units would have resulted in a total of 417 units completed in the year, against a target of 413.
- Total operating expenditure was £931k unfavourable to budget. ER/VR costs were £2,261k higher than budget. As part of addressing some of the long term structural issues with our ageing workforce discussed previously at the Board we have accelerated change in a number of leadership roles as well as a number of housing officer positions, whilst introducing our graduate programme.
- Bad debts, were £257k unfavourable to budget; however, this includes a conservative extra provision being made at year end for tenants who moved onto Universal Credit in the year of £640k. This means we have made full provision for 5 weeks of rent arrears for all UC customers. We expect to outperform this assumption, but it is prudent to make a higher provision given the difficult circumstances people moving onto UC face, particularly at present.
- Interest expenditure was £2,214k favourable to budget, due to both the timing and amounts of funding drawdowns. In the year, GHA has drawn down less than originally budget due to lower new build spend, but interest rates were also significantly lower than budget. The low rates achieved on our EIB loan drawdowns were a significant factor in delivering these savings.

5. Budget 2020/21

- 5.1 The 2020/21 budget is presented within Appendix 1. This shows that the budget is the same as the first year of the business plan financial projections already approved by the Board in February. Actual performance will diverge from this significantly due to the Covid-19 situation – for example, the changes to our service model and impact of potentially increased arrears. However, assessing the variances against our original budget/business plan position will help highlight the impact of changes compared to our “usual” operating model and financial assumptions. It is also a requirement of our lenders that we provide them with a Board-approved budget. An updated set of business plan projections will be brought to the next Board meeting for discussion.

6. Value for Money implications

- 6.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. We outperformed our budget for 2019/20, and this was an important factor in the maintenance of our A+(stable) credit rating announced by Standard & Poor's on 21st May.

7. Impact on financial projections

- 7.1 The 2019/20 Business Plan was approved by the Board at the February 2019 meeting. A revised set of projections will be brought to the next Board meeting.

8. Legal, regulatory and charitable implications

- 8.1 No implications.

9. Equalities impact

- 9.1 Not applicable.

10. Recommendation

- 10.1 The Board is requested to:

- 1) Note the management accounts for the period to 30 April 2020;
- 2) Note the management accounts for the period to 31 March 2020; and
- 3) Approve the draft 2020/21 budget.

Appendix 1: Period 1 – 30 April 2020 Finance Report with summary full year to 31 March, and Budget 2020/21.



Period 1 – April 2020/21 Finance Report

Better homes, better lives

Classified as Internal

Period 1 – 2020/21 Finance Board Report

SUMMARY FINANCIAL PERFORMANCE

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1.1 Operating Statement – Period 1 2020/21 YTD



	Year To April 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	£14,908	£14,911	(£3)	£183,732
Void Losses	(£109)	(£104)	(£6)	(£1,275)
Net Rental Income	£14,799	£14,807	(£9)	£182,457
Other Income	£810	£683	£127	£8,648
Grant Income	£0	£522	(£522)	£34,259
Total Income	£15,609	£16,012	(£403)	£225,364
EXPENDITURE				
Total Employee Costs	£3,458	£3,846	£389	£46,149
ER / VR	£0	£64	£64	£773
Direct Running Costs	£695	£924	£229	£11,223
Running Costs - Group Services	£598	£622	£24	£7,696
Revenue Repairs and Maintenance	£1,361	£2,293	£932	£27,517
Irrecoverable VAT and bad debts	£588	£863	£275	£10,362
Depreciation	£5,136	£5,136	£0	£61,632
Demolition and Tenants Compensation	£0	£77	£77	£930
TOTAL EXPENDITURE	£11,836	£13,827	£1,991	£166,279
NET OPERATING SURPLUS / (DEFICIT)	£3,773	£2,185	£1,588	£59,085
Net operating margin	24.2%	13.6%	10.5%	
Interest payable & similar charges	(£3,961)	(£4,061)	£100	(£49,553)
STATUTORY SURPLUS / (DEFICIT)	(£188)	(£1,876)	£1,688	£9,532
INVESTMENT				
	Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
Total Capital Investment Income	£0	£1,974	(£1,974)	£17,700
Total Expenditure on Core Programme	£1,572	£4,034	£2,461	£47,600
New Build & Other Investment Expenditure	£640	£5,218	£4,578	£45,104
Other Capital Expenditure	£521	£271	(£249)	£3,257
TOTAL CAPITAL EXPENDITURE	£2,733	£9,523	£6,790	£95,961
NET CAPITAL EXPENDITURE	£2,733	£7,549	£4,816	£78,261

Key highlights year to date:

- Operating surplus of £3,773k is £1,588k favourable to budget. After taking account of financing costs, the statutory deficit of £188k is favourable to budget by £1,688k. All expenditure lines are reporting lower than budget owing to the changes to the operation of the business during the lockdown.
- Net rental income of £14,799k is £9k adverse to budget. Void losses are £6k higher than budget, with re-letting of empty properties on hold for the majority of properties. Rental incomes includes the impact of delays in new build completions at Auchinlea, Bellrock and Linkwood, with work suspended following the instruction by Scottish Government to close all construction sites on 23 March.
- No grant income has been recognised in period 1, 7 units were budgeted to complete at Auchinlea in April.
- Total employee costs are £389k favourable to budget mainly driven by the claim received for staff under the Coronavirus job retention scheme.
- Total running costs are £1,991k favourable to budget with the variance largely linked to the change in the operation of the business during lockdown which has resulted in lower than expected costs in a number of areas against budget.
- Revenue repairs and maintenance expenditure is £932k favourable to budget. The service is being delivered on a "life and limb" only basis. Reductions are seen across all areas of repairs expenditure. The spend for the month includes provision for an additional overhead payment of £471k to City Building for GHA's share of the fixed costs of the repairs service after taking account of CBG's claim for furloughed staff under the job retention scheme. A further provision for CBG overhead has been made against the capital investment budget.
- The net capital position of £2,733k is £4,816k below budget. No grant income has been claimed in the month.
- Core capital investment programme spend on existing stock is £2,461k lower than budget driven by the postponement of new works during the lockdown. Spend includes provision for a payment of £660k to CBG for GHA's share of fixed costs which have not been able to be recovered against billed works. Costs for boiler and cladding repairs are included in the costs for the month.
- New build spend is £4,578k lower than budget following the closure all construction sites on 23 March. Spend in the month relates to professional fees and capitalised staff costs only.
- Other capital expenditure of £521k, is £0.3m adverse to budget, mainly caused by additional IT spend to support staff to work at home during the COVID-19 lockdown.

1.2 2019/20 Full Year Operating Statement

	Year To March 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	£176,649	£176,326	£323	£176,326
Void Losses	(£1,140)	(£1,225)	£85	(£1,225)
Net Rental Income	£175,509	£175,101	£408	£175,101
Other Income	£7,468	£7,056	£412	£7,056
Grant Income	£26,250	£26,903	(£653)	£26,903
Total Income	£209,227	£209,060	£167	£209,060
EXPENDITURE				
Employee Costs - Direct	£34,088	£34,115	£27	£34,115
Employee Costs - Group Services	£11,835	£12,086	£251	£12,086
ER / VR	£3,286	£1,025	(£2,261)	£1,025
Direct Running Costs	£11,235	£10,999	(£236)	£10,999
Running Costs - Group Services	£7,143	£7,075	(£68)	£7,075
Revenue Repairs and Maintenance	£26,119	£26,901	£782	£26,901
Irrecoverable VAT and bad debts	£10,236	£9,978	(£258)	£9,978
Depreciation	£57,293	£57,293	£0	£57,293
Demolition and Tenants Compensation	£247	£496	£249	£496
TOTAL EXPENDITURE	£161,482	£159,968	(£1,514)	£159,968
NET OPERATING SURPLUS / (DEFICIT)	£47,745	£49,092	(£1,347)	£49,092
Net operating margin	22.8%	23.5%	-0.7%	
Interest payable & similar charges	(£45,995)	(£48,209)	£2,214	(£48,209)
STATUTORY SURPLUS / (DEFICIT)	£1,750	£882	£868	£882
INVESTMENT				
	Year To March 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
Total Capital Investment Income	£19,189	£15,183	£4,006	£15,200
Total Expenditure on Core Programme	£47,132	£50,078	£2,946	£50,773
New Build & Other Investment Expenditure	£48,716	£54,248	£5,532	£53,554
Other Capital Expenditure	£4,945	£3,619	(£1,326)	£3,619
TOTAL CAPITAL EXPENDITURE	£100,793	£107,945	£7,152	£107,945
NET CAPITAL EXPENDITURE	£81,604	£92,762	£11,158	£92,745

Key highlights year to date:

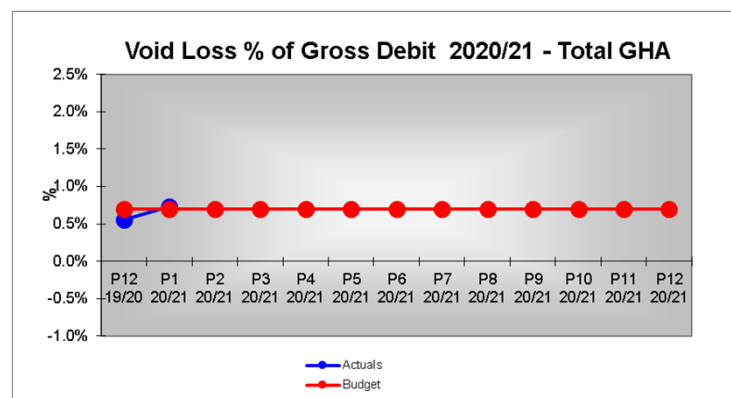
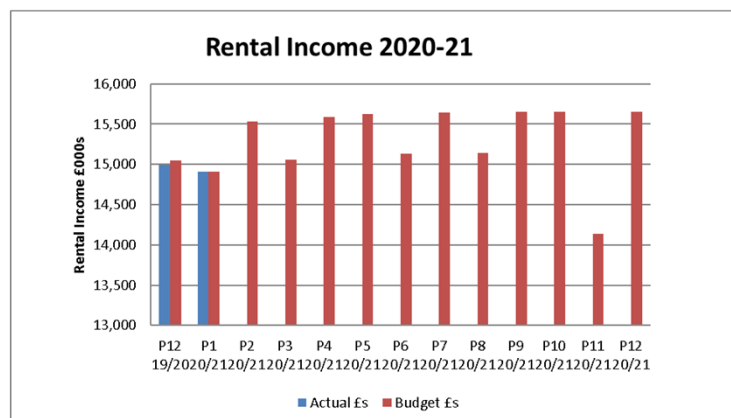
- A net operating surplus of £47,745k is £1,347k unfavourable to budget. The Statutory surplus of £1,750k is £868k favourable to budget.
- Net rental income is reporting a £408k favourable variance following a strong letting performance. Void losses in the year to date are 0.65% against a budget of 0.70%. This is also aided by the earlier than budgeted handover of homes at the Gallowgate new build development as well as higher than budgeted rental income on units completed in 2018/19.
- Grant income recognised on the completion of new build properties is £653k unfavourable to budget due to the timing of handovers at Bellrock, Linkwood and Kennished developments. It was expected that 39 properties would be handed over in period 12 but due to the shutdown of construction sites in mid March only 14 units were completed.
- Other Income is £412k favourable to budget and includes unbudgeted income related to Wayleaves of £221k and home contents insurance. This is partly offset by lower than expected income from commercial properties.
- Total employee costs are £278k favourable to budget. Included are costs related to the creation of the new universal credit team, maternity and long term sickness cover costs which have been offset by the achievement of in year savings through ERVR leavers and vacancies in the structure. Employee costs recharged from Wheatley Solutions are £251k favourable to budget, realised as a result of team restructures during the year.
- ER/VR costs are £2.3m higher than budget. As part of addressing some of the long term structural issues with our ageing workforce discussed previously at the Board we have accelerated change in a number of leadership roles as well as a number of housing officer positions, whilst introducing our graduate programme. The cost at March 2020 reflects the staff signed up to take ER/VR.
- Total running costs are £304k unfavourable to budget with recharges from Wheatley Solutions adverse to budget, driven by higher costs in relation to COVID-19.
- Repairs spend is £782k favourable to budget mainly due to lower spend in reactive repairs, including the impact of the suspension of non-emergency repairs during March.
- Bad debts, £258k unfavourable to budget, includes an incremental provision for arrears linked to tenants who have migrated onto Universal Credit during the year of £640k.
- Interest expenditure is £2.2m favourable to budget, due to both the timing and interest costs of funding drawdowns. In the year, GHA has drawn down less than what was originally budgeted for. Borrowings are linked to the new build and core investment programmes.
- Investment income of £19.2m relates to grant received in the financial year, £4.0m favourable variance to budget. This is as a result of higher than budgeted grant submissions for Baillieston and Sighthill and also various accelerated submission for projects not budgeted in current financial year.
- Core Programme spend is £2.9m lower than budget with investment work continuing to meet the criteria for the VAT shelter.
- New build spend is £5.5m lower to budget. Lower costs at Kennishead, Sighthill and Baillieston continue to drive the variance. All three sites are now underway but were delayed from their planned start dates throughout 2019.
- Other capital expenditure of £4.9m, is £1.3m adverse to budget, driven by £587k spend on IT upgrades (Astra) and consultancy support provided as part of the upgrade. Also included is software expenditure for the first phase of the new group wide in-house repairs system, and costs for laptops and mobile equipment for staff moving to home working in March.

2. Income – Rental Income & Void Losses **GHA**

	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s
Rental Income	14,908	14,911	(3)
Void Losses	(109)	(104)	(6)
Net Rental Income	14,799	14,807	(9)

Comments:

- Gross rental income is broadly in line with budget at the end of period 1. The variance has largely been driven by a delay to the assumed completion date of social rent units at Bellrock, Linkwood and Auchinlea, however offset by number of Winget properties being put back into a rental pool at Keystone LHO.
- The Rental Income graph shows the actual and budgeted rental income for the financial year. The budget fluctuates each month as a result of the number of days in the month, any expected new build handovers, and assumed acquisitions. The actual rent has been lower than budget for in P1 following the delay in new build units handovers.
- Void losses are £6k higher than budget, with re-letting of empty properties on hold for the majority of properties.
- The void rental performance measure for period 1 is 0.73% across the city, adverse to budget, which is set at 0.7%. The Void Loss % graph shows lost rental income performance against the gross rental debit.



3. Balance Sheet



GHA Balance Sheet	Current Month As at 30 April 2020 £000's	Previous yr end As at 31 March 2020 £000's
Fixed Assets		
Social Housing Properties	1,253,952	1,268,305
Properties under construction	108,998	60,827
Other tangible fixed assets	41,519	34,411
Investment properties	36,399	36,399
Investments - other	8,387	8,387
Fixed Assets	1,449,255	1,408,329
Debtors Due More Than One Year		
Development Agreement	19,495	38,420
Inter Company Loan	26,381	26,381
Pension Asset	14,711	14,711
Current Assets		
Rent & Service charge arrears	14,853	11,192
less: Provision for rent arrears	(4,803)	(3,375)
Prepayments and accrued income	57	5,304
Intercompany debtors	13,056	5,961
Other debtors	12,710	18,095
	35,813	37,177
Bank & Cash	1,671	8,882
Current Assets	37,484	46,059
Current Liabilities		
Trade Liabilities	(4,131)	(3,825)
Accruals	(16,824)	(23,749)
Deferred income	(40,562)	(43,947)
Rents & service charges in advance	(7,212)	(7,003)
Intercompany creditors	(0)	(1,610)
Other creditors	(2,471)	(5,032)
	(71,200)	(85,166)
Net Current Assets	(33,716)	(39,107)
Long Term Liabilities		
Contingent efficiencies grant	(39,086)	(35,531)
Bank finance	(855,028)	(812,078)
Development Agreement	(19,495)	(38,420)
Provisions	(1,185)	(1,185)
Long Term Liabilities	(914,794)	(887,214)
Net Assets	561,332	561,520
Funding Employed Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	260,084	260,084
Income & Expenditure	(188)	0
Revaluation Reserves	301,436	301,436
Funding Employed	561,332	561,520

Comments:

- The balance sheet reported reflects the 31 March 2020 year end position which is still subject to final audit and year end adjustments including the revaluation of housing properties and actuarial valuation of the defined benefit pension scheme.
- The fixed asset increase from the year end reflects investment in the core programme, the new build programme, and any other fixed asset additions, less depreciation to date.
- Debtors due after more than one year:** The intercompany loan debtor relates to the £30m of convertible debt with Lowther Homes Limited. This is revalued on an annual basis.
- No change in the pension asset is assumed during the year for management accounts purposes, as the valuation is carried out annually.
- Current Assets (excluding cash) are lower than the year end balance following the settlement of debtor balances.
- The ledger shows an overall bank balance of £1.7m at 30th April 2020.
- Short-Term Creditors** – Amounts due within one year of £71.2m includes £17.6m in accruals and £40.6m in deferred income. The deferred income primarily relates to housing association grant received for the construction of new build properties which is released on property completion. The remaining balance includes rent received in advance from our tenants, trade and other creditors and balances owed to other Wheatley entities.
- Loans** of £855.0m relate to funding drawn down from WFL1. At year end the total of additional borrowings of £43.0m have been drawn in the financial year and £1.0m loan amortisation fees has been applied.

4. Operating statement 2020-21



	2019/20 Actual	2020/21 Financial Projections	2020/21 Budget	Variance Budget to FP
	£m	£m	£m	£m
INCOME				
Rental Income	176.5	183.7	183.7	0.0
Void Losses	(1.2)	(1.3)	(1.3)	0.0
Net Rental Income	175.3	182.4	182.4	0.0
Other Income	7.1	8.6	8.6	0.0
Grant Income recognised on completion	26.3	34.4	34.4	0.0
TOTAL INCOME	208.7	225.4	225.4	0.0
EXPENDITURE				
Employee Costs - Direct	(34.1)	(34.1)	(34.1)	0.0
Employee Costs - Group Services	(11.9)	(12.0)	(12.0)	0.0
ER/VR	(3.3)	(0.8)	(0.8)	0.0
Running Costs - Direct	(10.7)	(11.1)	(11.1)	0.0
Running Costs - Group Services	(7.1)	(7.7)	(7.7)	0.0
Revenue Repairs & Maintenance	(26.1)	(27.5)	(27.5)	0.0
Irrecoverable VAT and Bad debt	(10.2)	(10.4)	(10.4)	0.0
Depreciation	(57.3)	(61.6)	(61.6)	0.0
Demolition costs	(0.3)	(0.9)	(0.9)	0.0
TOTAL EXPENDITURE	(161.0)	(166.1)	(166.1)	
NET OPERATING SURPLUS/(DEFICIT)	47.7	59.3	59.3	0.0
<i>Net margin</i>	22.9%	26.3%	26.3%	
RTB Income	0.0	0.0	0.0	0.0
Net Interest payable	(45.9)	(49.6)	(49.6)	0.0
SURPLUS/(DEFICIT)	1.8	9.7	9.7	0.0
INVESTMENT				
Total Capital Investment Income	19.2	17.7	17.7	0.0
Total Expenditure on Core programme	47.2	47.6	47.6	0.0
New Build and other expenditure	48.7	45.1	45.1	0.0
Other Capital Expenditure	4.9	3.4	3.4	0.0
TOTAL CAPITAL EXPENDITURE	100.8	96.1	96.1	0.0
NET CAPITAL EXPENDITURE	81.6	78.4	78.4	0.0

Comments:

- The 2020/21 budget reports a net operating surplus of £59.3m (26.3%) and a statutory surplus of £9.7m. This is in line with the approved business plan presented in February 2020.
- Budgeted net rental income of £182.4m is comparable with the approved business plan. Gross rental income for 2020/21 includes the approved 3.4% uplift from 1 April and reflects the impact of new build properties completed during 2019/20 to date.
- Grant Income recognised on completion of new build units is budgeted at £34.4m with 478 handovers expected across a number of social rent and mid market rent ('MMR') developments including in social housing: Linkwood (80), Auchinlea (64), Kennishead (48) and in mid market housing: Sighthill (86), Inglewood (49), Watson Street (46) and Baillieston (37).
- Employee and running costs are expected to be in line with the approved business plan. ER/VR costs of £0.8m have been included in the budget; this will help us realise long term staff savings for the business.
- Repairs and maintenance costs of £27.5m are assumed in the budget, £1.5m higher than the 2019/20 outturn. Repairs funding has been set based on current spend levels with additional allowance for cyclical and compliance works. The discount on repair costs, linked to the joint venture, is also included in this budget line.
- Irrecoverable VAT and bad debts is £0.4m higher than the 2019/20 outturn with an increase in the level of bad debt provision in relation to tenants on Universal Credit.
- Depreciation costs which reflect a non cash accounting adjustment are £4.3m higher than the expected 2019/20 levels, with the increase driven by the high level of investment in our properties.
- Total expenditure on core programme has been budgeted at £47.6m. This includes our continued investment in our housing stock, capitalised employee costs in relation to investment staff, spend on disabled adaptations and the capitalisation of a proportion of the fixed overhead from City Building (Glasgow).
- New build and other expenditure of £45.1m has been included in 2020/21. Of this, £1.0m relates to strategic acquisitions. The balance of £44.1m is funding for the new build development programme; with £41.5m included for contract costs and fees and £2.6m set aside for capitalised staff costs directly associated with the new build programme. Investment Grant Income (cash) of £17.7m is expected to be received in the year for the new build programme.

GHA



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: CCFF scheme

Date of Meeting: 29 May 2020

1. Purpose

- 1.1 This report seeks the Board's approval to act as a Guarantor for Wheatley Funding No.1 Limited (WFL1), such that WFL1 can sign up to the Bank of England's Covid Corporate Financing Facility ("CCFF").

2. Authorising context

- 2.1 Authorisation to proceed with the CCFF scheme is required from the Wheatley Board, the Wheatley Funding No. 1 Ltd ("WFL1") Board and each of the Boards of the WFL1 Guarantors (GHA, Cube, Loretto, Dunedin Canmore and WLHP). Barony will be excluded given the impending winding-up of this company and DGHP although not yet a guarantor of WFL1 will be included in the documentation such that they can accede to the scheme in due course.
- 2.2 There is no obligation to borrow via the CCFF scheme once the facility is in place, and there are no commitment fees or other costs payable after the set-up costs have been paid (legal fees, paying agent fees as set out in paragraph 5.6). We view the scheme as a form of insurance policy in case of unanticipated issues with any of our RSL Borrower Group bank facilities.

3. Risk appetite and assessment

- 3.1 We have a strong liquidity position; between cash-at-hand, revolving credit facilities/overdrafts and undrawn facilities, the Group has funds of £460.2m available at 30 April 2020. The table below shows the full Group position (WFL1, WFL2 and DGHP):

[redacted]

- 3.2 We pay commitment fees for the revolving credit facilities and, once drawn, the RCFs are charged at LIBOR + lending margin.
- 3.3 While the financial services sector has performed well and supported lenders to date thanks to their strong balance sheets, there is a remote chance that events could create a liquidity squeeze on banks, and undrawn committed facilities may be cancelled. There were examples of this in the 2008 credit crunch.

- 3.4 The Covid-19 crisis has not (yet) extended into a credit crisis for the banking sector, and while we do not anticipate such an outcome, in the event that banks do become credit-constrained, it would be prudent to have a backup option of a direct line of funding available from the Bank of England. Acceptance onto the scheme would also present an opportunity to manage our treasury strategy efficiently over the next 12 months.
- 3.5 The Bank of England has specifically launched the CCFF scheme as an alternative source of funds for companies like Wheatley Group to 'help preserve the capacity of the banking system to lend to other companies, including small and medium-sized enterprises, which rely on banks'. The CCFF liquidity is provided as an alternative to bank funding.

4. Background

- 4.1 The UK Government, in tandem with the Bank of England, has introduced a range of measures to support UK businesses through potential liquidity constraints resulting from the severe slowdown in the economy due to Covid-19.
- 4.2 For eligible larger UK companies, such as Wheatley Housing Group, the Bank has introduced the CCFF programme. In contrast to the SME loan programmes which will be administered by banks, the CCFF provides liquidity via a Commercial Paper ("CP") programme. The mechanics of this scheme are set out in Appendix 1.

5. Discussion

- 5.1 While the Group has a strong liquidity position as a result of our recent drawdown of £72m from our EIB 2018 facility and the extension of terms for Revolving Credit Facilities from our Syndicate lenders, the CCFF scheme provides a more efficient source of working capital to support the Group's requirements over the short-term.
- 5.2 The scheme will remain open for applications until 31 December 2020 and Issuers must be approved by that date. We have had in-principle endorsement of eligibility from the Bank of England in order to allow us to proceed to the next stage, which is a more detailed application to be formally accepted onto the scheme.
- 5.3 Funds can be drawn until 31 March 2021, with only two days' notice provided to the Bank of England. Paper can be issued on the 30 March 2021 for 364 days. The Bank will provide a 6-month notice period before the withdrawal of the CCFF scheme.
- 5.4 While the funding is short term (maximum period of 364 days), it is at very low rates of interest. At the time of writing, the rate would be under 0.3%. This compares to [redacted]% on most of our bank Revolving Credit Facilities.
- 5.5 While we do not necessarily anticipate a requirement to draw funds from the CCFF scheme, this depends largely on the timing of the re-introduction of constructions sites and the associated funding requirement from the new build programme. We could potentially use the CCFF as our primary source of

short-term funding, avoiding the need to draw from our committed RCFs which is one of the objectives of the BOE scheme.

- 5.6 It should take around three weeks to set up the CCFF scheme from the point of acceptance by the Bank of England. Once in place, there are no fees for issuance and no commitment fees are payable. The fees for establishing the CCFF scheme will total c. £40k and includes the following:

- i. Issuer counsel (Pinsent Mason) – [redacted]
- ii. Dealer counsel (NatWest Markets in-house legal team) – [redacted]
- iii. Issuing and Payment Agent (HSBC) – [redacted]

- 5.7 NatWest Markets are not charging any fees to act as Dealer under the CCFF scheme. Commonly, 1 basis point would be charged per issue. The minimum deal size is £1.0m, with £0.1m increments permitted.

6. Value for money implications

- 6.1 There are no restrictions on the use of funds and the funds are unsecured, with no loan covenants. For all of the reasons above, the scheme therefore represents a very low cost form of insurance policy, with potential option value for the future should it be extended. Greater access to liquidity also helps support Standard & Poor's view of our credit rating.

7. Impact on financial projections

- 7.1 It is not anticipated at this point that we would require to use the CCFF, but any use of it would be based on delivery of savings versus our current bank facilities.

8. Legal, regulatory and charitable implications

- 8.1 There are no consent requirements from our Syndicate lenders (RBS, BOS, Nationwide) or the EIB. We have already received consents from the BlackRock private placement and HSBC in relation to the granting of guarantees from the RSLs.
- 8.2 A range of technical legal documents are required as part of signing up to the scheme. These are explained in appendix 1 and provided in appendices 2-6.

9. Partnership implications

- 9.1 DGHP, which remains outside of the RSL Borrower Group at this time, will not be deemed eligible to access the CCFF initially due to its unrated status. If it accedes to the RSL Borrowing Group in due course it would be able to access these funds. However, between the significant cash reserves (£65.1m) and undrawn RCF (£35.0m), the cessation of construction and reduction of the repairs business to life and limb only, there is a limited requirement for additional liquidity for DGHP at this time.

10. Equalities impact

- 10.1 None noted.

11. Recommendation

11.1 The Board is asked:

- 1) to agree to provide a guarantee to WFL1 such that a full application can be made by WFL1 to the CCFF scheme; and
- 2) to approve the appended draft legal documentation required for the CCFF scheme and to delegate authority to the Group Director of Finance and/or the Director of Treasury to agree non-material changes and to sign these documents once all required Board and lender consents are in place by way of the Board Minute in Appendix 7.

List of appendices:

Appendix 1. Technical detail of CCFF and associated documentation	
Appendix 2. Guarantee	[redacted]
Appendix 3. Dealer Appointment	[redacted]
Appendix 4. Deed of Covenant	[redacted]
Appendix 5. Agency Agreement	[redacted]
Appendix 6. Global Note	[redacted]
Appendix 7. Board Minute	[redacted]

Appendix 1: Technical detail of CCFF and associated legal documentation

The Bank of England (“BOE”) is responsible for determining the eligibility of potential Issuers, with each corporate entity required to meet the following criteria:

- i. Sound financial health prior to Covid-19: investment grade or equivalent financial health as at 1 March 2020; and
- ii. Made a ‘material contribution to economic activity in the UK’; and
- iii. Have been economically impacted by Covid-19

WFL1 limited received in principle eligibility approval from HM Treasury on 23 April 2020, subject to the full application process, as a result of our rated status and our contribution to the UK economy.

The BOE has provided indicative pricing, and potential maximum drawings, for the CCFF scheme based on the investment grade of the Issuer (or Parent) on 1 March 2020. The pricing and potential maximum availability is set out in the table below:

Rating at 1 March 2020	Pricing	Amount
A1/P1/F1/R1	0.20%	Up to £1bn
A2/P2/F2/R2	0.40%	Up to £600m
A3/P3/F3/R3	0.60%	Up to £300m

Wheatley Housing Group was rated A+ Stable by S&P at the determination date, which is equivalent to a Short-term S&P rating of A1. WFL1 would qualify for the cheapest pricing at 0.20%. The BOE has given an indicative limit of £150m for WFL1 as part of their pre-approval indications. Please note, this limit is subject to change depending on the final application approval process.

The CCFF is priced at a spread over SONIA (the Sterling Overnight Index Average). This is a rate administered by the Bank of England and is based on actual transactions, to reflect the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. It is due to replace LIBOR as the main basis for variable rate lending in the UK, following LIBOR-rigging scandals.

For example, on 24 April 2020, SONIA was 0.066%, 1 month LIBOR was 0.22925% and 3 month LIBOR was 0.64375%.

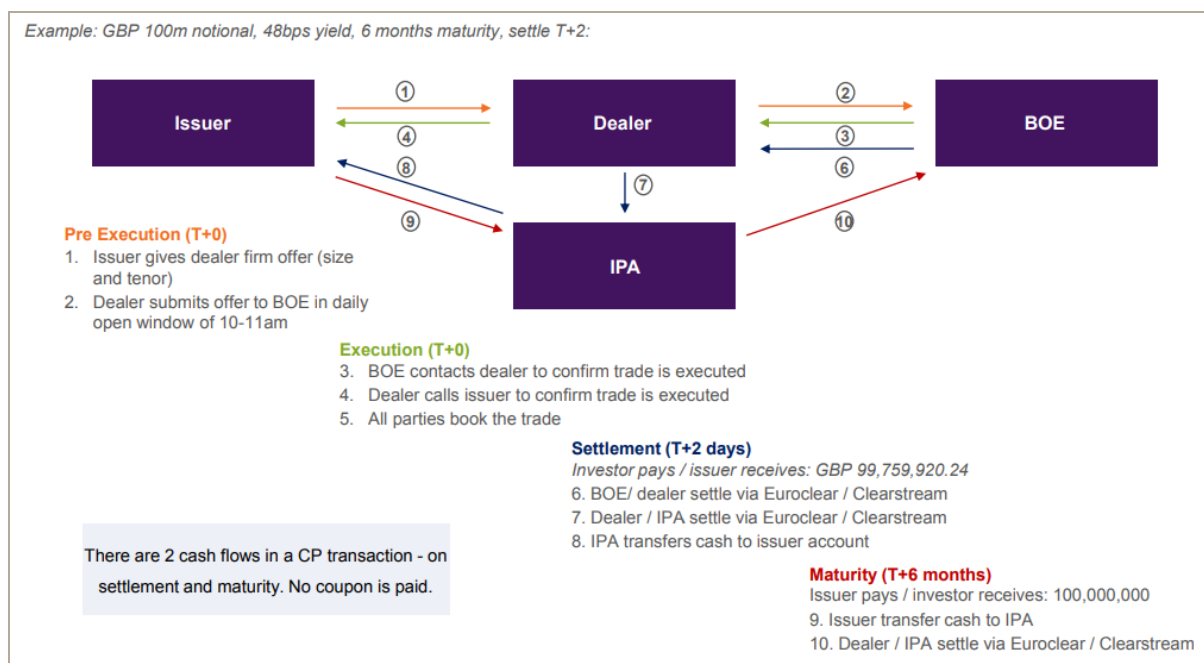
The pricing and availability of our various Revolving Credit Facilities (RCFs) for WFL1 are set out below:

[redacted]

The weighted average across WFL1 RCFs is [redacted]% for the non-utilisation fee and [redacted] % lending margin when drawn.

The RCFs are priced over LIBOR, with the period of the LIBOR rate determined by the duration of the drawdown (most commonly, 3 months), making the all-in cost of funds drawn under the SONIA-linked CCFF considerably cheaper than LIBOR-linked RCFs.

The execution process for the CCFF is set out in the funds flow diagram below:



Issuer – WFL1

Dealer – NatWest Markets

IPA – Issuing and Paying Agent, HSBC

Note that the interest payable is subtracted from the issuance amount upfront. The CP is priced as a fixed rate bond and is issued at a discount to par – i.e. we do not receive the full amount on the settlement date (T+2), rather the amount is adjusted upfront for the interest payable and we repay the full amount on the maturity date.

The legal documentation required for the CP programme is as follows, with draft documents set out in appendices 2 – 6.

- Guarantee** – the legal agreement between the guarantors of WFL1 (excluding Barony, given the imminent winding-up of this company) and WFL1 (the Issuer) to underwrite the facility. This has been prepared by Pinsent Masons.
- Dealer Appointment** – this agreement sets out the terms and conditions of the relationship between WFL1 and NatWest Markets (NWM), where NWM will act as Dealer and will be the market-facing entity who markets our CP directly to the BOE (in usual times, the dealer would market our commercial paper to multiple investors in the wholesale market). The Dealer would normally charge 1 basis point per issue, but for the purposes of the CCFF programme, no charges will be levied.

- iii. **Deed of Covenant** – this is the contract between the Issuer (WFL1) and the note holders (in this case, BOE) of any particular issue when in global form.
- iv. **Agency Agreement** – the agreement between WFL1 and HSBC, where HSBC acts as the Issuing and Paying Agent (IPA). The IPA acts as an intermediary between the BOE and WFL1, making payments from each counterparty to the other and manages the settlement of the Commercial Paper on the clearing systems (Euroclear/Clearstream).
- v. **Global Note** – the note held by the IPA as the common depositary for Euroclear and Clearstream

In addition, there will be an Information Memorandum which will set out the business that WFL1 undertakes and the terms of the CP programme, and a Legal Opinions (one for Scots and one for English law), which our banking lawyers, Pinsent Masons will prepare, which will opine on the capacity and authority of the issue and the validity of the notes and the agreements.



Report

To: GHA Board

By: Anthony Allison, Director of Governance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Governance update

Date of Meeting: 29 May 2020

1. Purpose

- 1.1 To update and, where applicable, seek Board approval in relation to the following governance matters:
- 1) changes to our Rules;
 - 2) use of the Chair Urgent Actions provision;
 - 3) updates to the Group Standing Orders;
 - 4) Proposed application for a consumer credit licence; and
 - 5) Additional July meeting

2. Authorising context

- 2.1 The Board is responsible for recommending any changes to our constitution ("the Rules"), to the members for approval. A Special General Meeting of the members is required to pass a resolution to adopt changes to our Rules.
- 2.2 Under the Group Standing Orders the Chair has authority to approve Urgent Actions for time sensitive matters reserved to a Board (Group or Subsidiary) or Committee which cannot wait until the next scheduled meeting.
- 2.3 The Group Standing Orders and any changes thereto are reserved to the Group Board. This report provides an update on changes that have been made.
- 2.4 Under its Terms of Reference, the Group Audit Committee is responsible for approving participation in new FCA regulated activities. This is relevant to our proposed application for a consumer credit licence.

3. Risk Appetite and assessment

- 3.1 Our risk appetite in relation to governance is cautious, which is defined as *"Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward"*.

- 3.2 We identified a risk that our current succession planning arrangements could lead to us not having the sufficient depth of skills and knowledge as the current interruption caused by the pandemic will significantly impact the recruitment and succession planning arrangements we had for the planned 2020 Board member and office bearer retirements. The proposals which will allow us to mitigate this risk.

4. Background

- 4.1 At its meeting on 8 April 2020 the Group Board agreed that the constitutions for each partner be updated to remove the existing restriction on tenure length for Board members and the Chair.
- 4.2 The Group Board agreed that we could grant time-limited, 12 month extensions for Board members and office bearers who are due to retire at the 2020 Annual General Meeting. All Board members were subsequently notified of this via a communication from the Wheatley Group Board Chair.
- 4.3 The Group Board further considered proposed changes to our constitutions at its meeting on 12 May and agreed some further changes to our approach to membership and recruitment.
- 4.4 We were already planning to review our constitution this year to consider the updates to the Scottish Federation of Housing Associations Model Rules. We have therefore combined the tenure changes with a wider review of constitutions. As a general principle we seek to have consistency across all constitutions across Registered Social Landlord ("RSL") constitutions where possible.

5. Discussion

Constitutional changes

- 5.1 Proposed changes to our Rules are attached at Appendix 1. Whilst we have sought to include the new provisions in the model Rules, we have also made other changes.

Tenure

- 5.2 The changes reflect the agreement by the Group Board to, under these exceptional circumstances, grant a one off, time limited 12-month extension to Board members who were due to retire or reach their tenure limit in 2020. The constitutional changes are to allow this one exception, with our overall policy position remaining that 9-year tenure limits apply in all other cases.
- 5.3 Our succession plan assumed that Jean Albert Neitcho and Robert Geddes would retire at the 2020 AGM. The Chair has discussed the extension with both and Robert Geddes has agreed to remain on the Board until we can recruit a successor. Jean-Albert has indicated he is not in a position to take up the extension and will therefore retire as planned at the 2020 AGM.

- 5.4 As previously advised we are engaging the SHR regarding the restrictions relating to Chair tenure, with the Rules now applying an element of discretion not previously in place.

Board recruitment and appointment

- 5.5 At present our recruitment process still requires individuals to be elected at Annual General Meetings, even where the recruitment is overseen by the Board and the members are the Board.
- 5.6 It is proposed that our Rules are updated to reflect how we recruit and move to an appointment basis. This will remove duplication in the process unnecessarily at Annual General Meetings and start the three- year term at the point of recruitment rather than having to operate 'casual vacancies'.
- 5.7 We have suspended recruitment activity due to our operating environment constraints and this will remain under review along with our interim governance arrangements.

Meetings and administration

- 5.8 The remainder of the changes are consequential amendments or updates to aid our administration. In particular, we have updated the Rules to include flexibility around the use of telephone conferencing and electronic communication as a means for Board decision making.

Updates to our Group Standing Orders

- 5.9 Updates have been made to the Group Standing Orders following the recent partnership with DGHP. The changes do not impact our operations; however, any updates to the Group Standing Orders are notified to all Boards. The changes are as follows:

- (i) To acknowledge DGHP currently has DGHP-specific Development Committee
- (ii) DGHP financial delegation levels

A copy of the updated Group Standing Orders has been circulated separately.

Use of the Chair Urgent Actions provision

- 5.10 Under the Group Standing Orders the Chair has authority to approve items of a time sensitive nature where it is neither feasible or practical to convene an additional meeting or agree a written resolution. Two such decisions required to be taken at the beginning of the lockdown. These were: -

- (i) 20 March 2020 – granting of security to facilitate drawdown of European Investment Bank funding;
- (ii) 23 March 2020 - updates to loan agreements

Proposed application for consumer credit licence

- 5.11 Our new strategy, *Inspiring Ambition Unleashing Potential* includes an aim to further help customers reduce the cost of running their home. One of the ways we already support customers is through our Home Comforts service which can provide recycled furniture and white goods.
- 5.12 Not all of our customers wish to receive recycled white goods so we have been considering potential alternative offerings. As part of this, we have been in discussion with Appliances Online (“AO”) with a view to signposting customers to an AO white goods rental scheme. The scheme has, in part, been designed to provide social housing customers with access to more affordable white goods.
- 5.13 Our intention was to include the scheme as part of the wider My Savings portal. Since we are introducing customers to AO.com through the portal and with a view to them entering into a consumer hire agreement then this is considered to be a form of regulated activity under the Financial Services and Markets Act (FSMA) for which a limited permission consumer credit licence is required.
- 5.14 The Group Audit Committee has responsibility for overseeing new regulatory activities and gave approval for us to apply for a consumer credit licence at its meeting on 6 May 2020. It is proposed we now proceed with this application.

Additional meeting

- 5.15 It is proposed that we will have an additional meeting cycle in July to keep the Board up to date on essential activities. The proposed date is Friday 10th July at 10.30am. In addition to this the Group Chair has written to the streamlined Board regarding an informal session to hear its feedback and inform a review of the interim governance arrangements. The proposed date for this is Friday 12th June at 11.00am.

6. Key issues and conclusions

- 6.1 The proposals within this report allow us to progress with constitutional changes that will facilitate more efficient governance. The focus of the constitutional changes is on ensuring that our governance arrangements are robust. Whilst we have updated our constitution to reflect the Model Rules where appropriate, we have also deviated where we consider it necessary and in our best interests.

7. Value for money implications

- 7.1 There are no value for money implications associated with this report.

8. Impact on financial projections

- 8.1 There is no impact on our financial projections arising from this report.

9. Legal, regulatory and charitable implications

- 9.1 We have sought external legal advice in preparing our Rule changes. We are engaging and will continue to engage the SHR on our proposals and how they meet the requirements of the Regulatory Framework. There is also a requirement to notify the SHR of any changes to our constitution under the Notifiable Events statutory guidance.

10. Partnership implications

- 10.1 There are no partnership implications associated with this report.

11. Implementation and deployment

- 11.1 A Special General Meeting will be arranged to approve the Rule changes. We will ensure we do so in a compliant way, with the use of proxies for example to prevent the need to convene physical gatherings beyond what is strictly necessary. This will be made significantly easier since the Board members are also the Association's members.

12. Equalities impact

- 12.1 There is no equalities impact associated with this report.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Approve the proposed changes to our Rules and delegate authority to the Secretary to call a Special General Meeting
 - 2) Note the use of the urgent actions provisions in the Group Standing Orders on 20 March 2020 and 23 March 2020
 - 3) Note the amendments to the Group Standing Orders;
 - 4) Approve our application for a consumer credit licence; and
 - 5) Agree an additional meeting on Friday 10th July

Appendix 1 – Track changed Rules

These are the Rules
of

The Glasgow Housing Association Limited

Based upon
SFHA Charitable Model Rules (Scotland) 2013
~~(as amended 2015)~~20

Registered under the
Co-operative and Community Benefit Societies Act 2014
and the Housing (Scotland) Act 2010

**Published by
the Scottish Federation of Housing Associations
in co-operation with The Scottish Housing Regulator**

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Glasgow, G2 5NW
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Further guidance

Further Advice

A separate document is also available from the SFHA Rules Service, which gives guidance on the use of these rules and the options. Advice is also available from staff at The Scottish Housing Regulator.

Advice on the procedural aspects of making a Rule registration application or Rule Amendment application is also available from the SFHA Rules Service.

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INTRODUCTION

Name

- 1 The name of the Society shall be The Glasgow Housing Association Limited (hereinafter referred to as "the Association").

Objects

- 2 The objects of the Association are:
 - 2.1 to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
 - 2.2 any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- 3 The permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects.
- 4.1 The Association shall not trade for profit and any profits shall only be applied for the purpose of furthering the Association's objects and/or in accordance with these Rules.
- 4.2 Nothing shall be paid or transferred by way of profit to Members.
- 5 The registered office of the Association is at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

MEMBERSHIP

- 6 The Members of the Association shall be: (a) those persons ~~or organisations~~ who hold a share in the Association and whose names are entered in the Register of Members; and (b) the Parent.

Applying for Membership

- 7.1 Other than the Parent, only Board Members who have been ~~elected or~~ appointed under these Rules shall be capable of entry into the Register of Members.
- ~~7.2 If you are applying for membership you must send a completed and signed application form and the sum of one pound (which will be returned to you if the application is not approved) to the Association's registered office.~~
- 7.23 Subject to Rule 37.5, the Board shall have deemed to have admitted a person as a Member from the date on which he/she was ~~elected or~~ appointed as a Board Member under these Rules and his/her name and other necessary particulars will be included

in the Register of Members within seven working days. The Board Member will then be issued one share in the Association.

- 7.34 Notwithstanding Rule 7.23 and subject to Rule 37.5, a Council Board Member's membership will take effect from the end of the ~~general meeting or~~ Board Meeting at which he/she has been duly appointed.
- 7.45 The Parent shall ~~apply for a share in terms of these Rules and shall make payment of the sum of one pound to the Association's registered office. The Parent shall then become a Member of the Association and its name and other necessary particulars will be included in the Register of Members within seven working days and shall be issued with a share to the value of one pound (the "Parent Share")~~ apply for a share in terms of these Rules and shall make payment of the sum of one pound to the Association's registered office. The Parent shall then become a Member of the Association and its name and other necessary particulars will be included in the Register of Members within seven working days and shall be issued with a share to the value of one pound (the "Parent Share") in the Association.
- 7.56 The Parent and the Association, together with all other organisations in the Group will document, formally and in terms that are transparent and understandable, their constitutional and financial relationships through the Group Agreement or similar document. The role of the Association and its relationship with other organisations in the Group must be undertaken in a manner consistent with the Charities and Trustee Investment (Scotland) Act 2005.
- 7.67 Notwithstanding the other provisions of this Rule 7, the Parent may in its absolute discretion admit or remove any person ~~or organisation~~ as a Member.
- 8 You can apply for membership of the Association from the age of 18.
- 9 No Member can hold more than one share in the Association.
- 10 If you change your address, you must let the Association know by writing to the Secretary at the registered office or by electronic communication within three months. This requirement does not apply (a) to the Parent; or (b) if you are a Tenant of the Association and have moved home by transferring your tenancy to another property owned and managed by the Association.

ENDING YOUR MEMBERSHIP

- 11.1 Your membership of the Association will end and the Board will cancel your share and record the ending of your membership in the Register of Members if:
- 11.1.1 you resign your membership giving seven days' notice in writing to the Secretary at the Association's registered office;
- 11.1.2 except in the case of the Parent, the Board reasonably believes that you have failed to tell the Association of a change of address as required by Rule 10; or
- 11.1.3 if the Board is satisfied that you are no longer a serving Board Member following:
- 11.1.3.1 resignation pursuant to Rule 11.1.1;
 - 11.1.3.2 removal in the case of a Council Board Member pursuant to Rule 39.3;
 - 11.1.3.3 retirement pursuant to Rule 39.2;
 - 11.1.3.4 removal or disqualification pursuant to Rule 44; or
 - 11.1.3.5 resignation as the Chairperson pursuant to Rule 59,

the Association will end your membership and cancel your share.

- 11.2 If your membership is ended in accordance with Rule 11.1.3, you will immediately cease to be a Member from the date that the Board resolves to end your membership.

REPRESENTING ~~AN ORGANISATION~~THE PARENT

- 12.1 ~~An organisation which is a Member~~The Parent is free to nominate any person it considers suitable as its representative to the Association. That person will represent all of the ~~organisation's~~Parent's rights and powers at general meetings.
- 12.2 To confirm the identity of a representative, the ~~organisation~~Parent must send the Association a copy of the authorisation or appointment of an individual as a representative. This should be signed by a Director, Secretary or Authorised Signatory of the ~~organisation~~Parent which signature must be witnessed, ~~or in the case of a local authority, by the Chief Executive, or properly authorised officer of the local authority.~~
- 12.3 ~~An organisation~~The Parent can change the identity of the person entitled to represent ~~that organisation~~the Parent at any time by confirming the identity of the new representative in terms of Rule 12.2 and withdrawing the authority of the original representative.
- 12.4 ~~If you are a~~ representative ~~of the Parent~~ in terms of Rule 12.2, ~~of an organisation which is a Member, you~~ cannot be a Member as an individual ~~yourself~~. If ~~the representative is you are~~ already a Member as an individual when ~~you they~~ start to represent ~~an organisation which is a Member~~the Parent, the Association will suspend ~~your the representative's~~ membership as an individual, until such time as ~~they you~~ are no longer ~~the a~~ representative of ~~an organisation which is a Member~~the Parent.

SHARE CAPITAL

Shares

- 13 The share capital of the Association will be raised by issuing one-pound shares to Members. Shares cannot be held jointly.
- 14 There is no interest, dividend or bonus payable on shares.

Transferring Shares

- 15 You shall not be entitled to any property of the Association in your capacity as a Member and your share is not withdrawable or transferable save in the circumstances set out in Rules 16 and 17.
- ~~16 Notwithstanding Rules 17.1 and 17.2, the Parent Share may not be sold or transferred but may be cancelled on the written request of the Parent.~~
- ~~16.1~~ If you die or end your membership or have your membership ended, ~~or you are a representative of an organisation which no longer exists~~, the Board will cancel your share (except in the circumstance outlined in Rule 17.2) and the value of the share will then belong to the Association.

- 17.2 You can nominate the person to whom the Association must transfer your share in the Association when you die, as long as the person that you nominate is eligible for membership under these Rules and in terms of the Association's membership policies. On being notified of your death, the Board shall transfer or pay the full value of your share to the person you have identified. Your nomination must be in the terms required by the Co-operative and Community Benefit Societies Act 2014. If the person you nominate is not eligible for membership or your nomination is not in the said terms required, then following your death the Board will cancel your share. If you die or become bankrupt and your personal representative or trustee in bankruptcy seeks to claim your share, the Board (to the extent that your personal representative or trustee in bankruptcy has right) will transfer or pay the value of your share in terms of your representative's or trustee's instructions.

BORROWING POWERS

- 18.1 The Association can borrow money as long as the total borrowing at any time is not more than £1.5 billion or such larger sum as the Association, with the prior written consent of ~~The Scottish Housing Regulator and~~ the Parent, determines from time to time in a general meeting. The Association can enter into any Guarantee in respect of or to secure by heritable security, mortgage, charge, floating charge, lien or other security which the Association is permitted by law to grant, upon the whole or any part of the Association's property or assets, the obligations and liabilities of any Subsidiary; or of any joint venture established by the Association (or by a Subsidiary) with any entity or entities. The foregoing power is valid notwithstanding, and is in no way limited by, any limits on the borrowing or lending powers of the Association (including the foregoing limits) contained in these Rules or otherwise.
- 18.2 In respect of any proposed borrowing for the purposes of Rule 18.1, the amount remaining undischarged of any index-linked loan previously borrowed by the Association or any deep discounted security shall be deemed to be the amount needed to repay such borrowing in full if the pre-existing borrowing became repayable in full at the time of the proposed borrowing.
- 18.3 For the purposes of Rule 18.1 in respect of any proposed borrowing intended to be index-linked or on any deep discounted security the amount of borrowings shall be deemed to be the proceeds of such proposed borrowings that would be receivable by the Association at the time of the proposed borrowing.
- 18.4 The Association will not pay more than the rate of interest which the Board considers to be the then market rate of interest on any money borrowed, having regard to the terms of the loan on any money borrowed.
- 18.5 The Association will not accept money on deposit.
- 18.6 Subject to the provisions of Rule 19, the Association can, with the prior written approval of the Parent, lend money to any person or organisation including, without limitation: the Parent; any Subsidiary; any joint venture established by the Association or by the Parent or by any Subsidiary; or with another entity or entities on terms which the Board deems appropriate at the time of entering into the transaction. Where the Association is using a loan facility to on lend it must comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.
- 18.7 The Association may borrow money from such lawful sources as is permitted by its Treasury Management Policy subject always to the requirement that the Association

will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.

- 18.8 Subject to the foregoing provisions [of this Rule 18](#), the Board can, with the prior written approval of the Parent, determine and change the conditions under which the Association borrows or lends money.
- 19 With the exception of the Parent, the Association shall not lend money to Members.

GENERAL MEETINGS

Annual General Meeting

- 20 The Association will hold a general meeting known as the annual general meeting within six months of the end of each financial year of the Association. The functions of the annual general meeting are to:
- 20.1 present the Chairperson's report on the Association's activities for the previous year;
 - 20.2 present the accounts, balance sheet and auditor's report;
 - ~~20.3 elect Board Members;~~
 - 20.34 appoint the auditor for the following year; and
 - 20.45 consider any other general business included in the notice calling the meeting.

Special General Meeting

- 21.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:
- 21.1.1 the Board requests one;
 - 21.1.2 the Parent requests one in writing; or
 - 21.1.3 at least four Members other than the Parent request one in writing.
- 21.2 Whoever asks for the meeting must give the Secretary details of the business to be discussed at the meeting.
- 21.3 If a special general meeting is requested, the Secretary must within 10 days of having received the request give all Members notice calling the meeting. The meeting must take place within 28 days of the Secretary receiving the [Members'](#) request. The Secretary should decide on a time, date and place for the meeting in consultation with the Board or the Chairperson, but if such consultation is not practicable the Secretary can on his/her own decide the time, date and place for the meeting.
- 21.4 If the Secretary fails to call the meeting within 10 days, the Board or the Members who requested the meeting can arrange the meeting themselves.
- 21.5 A special general meeting must not discuss any business other than the business mentioned in the notice calling the meeting.

Notice for Meetings

- 22.1 The Secretary will call all general meetings by written notice posted or sent by ~~fax or email~~electronic communication to every Member (which must include the Parent) at the address, ~~fax number~~ or email address given in the Register of Members at least 14 clear days before the date of the meeting. This notice will give details of:
- 22.1.1 the time, date and place of the meeting;
 - 22.1.2 whether the meeting is an annual or special general meeting;
 - 22.1.3 the business for which the meeting is being called.
- 22.2 The Board may ask the Secretary to include with the letter or send separately to Members any relevant papers or accounts. If a Member, other than the Parent, does not receive notice of a meeting or papers relating to the meeting, this will not stop the meeting going ahead as planned. If the Parent does not receive notice of a meeting or papers relating to the meeting, the meeting cannot go ahead as planned. Each communication sent to a Member by post, addressed to his/her registered address, shall be deemed to have arrived 48 hours after being posted. Each electronic communication sent to a Member ~~by fax or email~~ shall be deemed to have arrived on the day it is sent.
- 23 The proceedings of a meeting shall not be invalidated by the inadvertent failure of the Association to send a notice calling the meeting to any Member, other than the Parent. Failure of the Association to send a notice calling the meeting to the Parent will invalidate the proceedings of that meeting.

Procedure at General Meetings

PROCEDURE AT GENERAL MEETINGS

- 24.1 For a meeting to take place the Parent and at least seven Members must either be present at the venue or represented at the venue by a representative approved in terms of Rule 27.1.
- 24.2 If the Parent is not present in person or by representative and/or not enough other Members are present in person or by representative within half an hour of the time the meeting was scheduled to start, the meeting shall be rescheduled to the same day the following week at the same time and at such place as may be fixed by the chairperson of the meeting and announced at the meeting. There is no need to give notice to Members of the rescheduled meeting with the exception of the Parent, who must receive such notice if it was not present in person or represented at the meeting to be rescheduled. If at that meeting there are not enough Members present in person or by representative at the scheduled starting time the meeting can still go ahead.
- 24.3 The Parent shall be deemed to be present in person at any general meeting if it is represented in person by an individual (who need not be a Member) who is appointed to act as such ~~in writing signed~~ by or on behalf of the Parent.
- 24.4 The Board shall determine the manner in which general meetings of the Association are held, subject to the prior approval of the Parent.
- 25 If a majority of Members present agree, the chairperson of a meeting can adjourn the meeting. No business can be discussed at the adjourned meeting other than the

business not reached or left unfinished at the original meeting. There is no need to give notice to Members of the adjourned meeting.

- 26.1 The Chairperson ~~of the Board~~ will be chairperson at all meetings of the Association. If there is no Chairperson or he/she is not present or willing to act, the Vice Chairperson will act as the chairperson of the meeting. If the Vice Chairperson is not present or willing to act, ~~the Members present must elect a~~ Board Member ~~of the Board to~~will be chairperson of the meeting.
- 26.2 If the Chairperson arrives later, after the meeting has commenced, he/she will take over as chairperson of the meeting as soon as the current agenda item is concluded.

Proxies/Representatives/~~Postal Votes~~

- 27.1 To appoint a representative to vote on your behalf by proxy, you must let the Association have a properly completed document in the form shown in Appendix 1, which may be submitted by electronic communication. Your representative does not need to be a Member. The document must reach the Association at least five days before the meeting at which you want to be represented.
- 27.2 If there is any doubt about whether your representative has authority to vote, the Chairperson will decide and his/her decision will be final.
- 27.3 The maximum number of proxy votes that may be cast by any one person is four.
- 27.4 To reverse your appointment of a representative, you must let the Association have a properly completed document in the form shown in Appendix 2, which may be submitted by electronic communication. The document must be presented to the Association before the meeting at which you no longer want to be represented convenes. Alternatively, if you declare yourself present before the meeting convenes, the appointment of a representative to vote on your behalf will automatically fall.
- 27.5 The Chairperson will report to the meeting the details of any documents seeking to appoint a representative received but which are not valid. ~~If you represent an organisation, your authorisation or appointment as a representative requires to be in accordance with the terms of Rule 12.2.~~
- ~~27.6 If there is to be an election of Board Members at an annual general meeting, you can vote by post. Not less than 14 days before a meeting is held at which one or more Board Members will be elected, you will receive a ballot paper for the election. You can vote in the election by returning the ballot paper to the Secretary at least five days before the day of the meeting, or by bringing your ballot paper along to the meeting.~~

Voting

- 28 If a decision of a meeting is put to the vote, the outcome will be determined by the majority of those Members voting. Voting will be by a show of hands except where a secret ballot is requested or required. Votes cannot be taken on resolutions which conflict with any provisions of these Rules or the law.
- 29.1 Where a vote is by a show of hands every Member, including the Parent, present in person has one vote (subject in the case of the Parent to the provisions of Rule

29.23). Where a vote is by a secret ballot every Member, including the Parent, present in person or who has appointed a representative has one vote. Where an appointed proxy is present, and he/she advises the Chairperson, the Chairperson shall direct that the vote is by a secret ballot.

~~29.2 In relation to the election of Board Members, the vote is by a secret ballot using the ballot paper issued to the Members prior to the meeting; votes received by post in advance of the meeting will be counted in the total number of votes at the meeting.~~

29.23 The Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast:

29.2.1 ~~a~~At any special general meeting called by the Secretary in accordance with these Rules for the purpose of considering and, if appropriate, approving:

29.2.13.1 any amendments, additions or deletions to any of these Rules; and/or

29.2.13.2 any change of name of the Association; and;

29.2.2 at any annual general meeting, but only for the specific purpose of approving the appointment of the auditors for the following year.

~~the Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast at the relevant special general meeting~~ and the other Members of the Association (collectively the "Other Members") shall among them be entitled to cast one quarter of the votes available to be cast at the relevant special general meeting or in relation to the appointment of auditors at an annual general meeting. Votes exercisable by the Other Members in terms of this Rule 29.23 shall be counted for and against the relevant resolution(s) in the proportions for and against actually cast by each of the Other Members who are present and voting at the meeting in person or by proxy respectively. The Secretary shall make arrangements for such Other Members to vote on the resolution(s) separately and shall count the number of votes in favour and against the resolution(s) and shall notify the special general meeting or annual general meeting of the totals and accordingly the manner in which the one quarter of votes available to be cast at the relevant special general meeting or annual general meeting and exercisable by the Other Members have been cast. The Secretary shall notify the meeting of the decision of the vote having regard to the votes cast by the Parent.

30 Except where a resolution is passed in accordance with the provisions of Rule 29.23, if there is an equal number of votes for and against a resolution, ~~or in relation to the election of Board Members,~~ the Chairperson will have a second and deciding vote. The Chairperson's announcement of the decision of a vote will be final and conclusive. The decision is then recorded in the minutes of the meeting. There is no need to record the number of votes for or against the decision.

31.1 A secret ballot can be required before or immediately after a vote by a show of hands, if the Parent or at least four Members present at the meeting (in person or by proxy through a representative appointed in accordance with Rule 27.1) request this. For the avoidance of doubt, a secret ballot may not be requested in relation to any matter if a vote by a show of hands in respect of that matter has already taken place.

31.2 A secret ballot must take place as soon as the Chairperson has agreed to it, in line with the Chairperson's instructions. The result of the secret ballot will stand as the decision of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 32 All speakers must direct their words to the Chairperson. All Members must remain quiet and orderly while this is happening.
- 33 You will not be allowed to speak more than once on any individual matter unless it is to explain something or ask for an explanation until every other Member has had the chance to speak. You will then have the opportunity to speak a second time on a matter but only if the Chairperson agrees. Where the Chairperson raised the matter for discussion initially, he/she shall be permitted to make a final reply on the matter.
- 34.1 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.
- 34.25 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling. ~~If the Chairperson's ruling is challenged by more than one person, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original ruling is carried.~~
- 35.6 Meetings must not last longer than two hours unless at least two-thirds of the Members present agree after the end of that time to continue the meeting.
- 36.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 36.2 A Member is able to exercise the right to vote at a general meeting when:
- 36.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 36.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 36.3 The Board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 36.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 36.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

THE BOARD OF MANAGEMENT

Composition of the Board

- 37.1 The Association shall have a Board which shall have a minimum of seven and a maximum (including co-optees) of 12 persons of whom:
- 37.1.1 up to six Board Members shall be Tenant Board Members;
- 37.1.2 up to one Board Member shall be an Independent Board Member;
- 37.1.3 up to two Board Members shall be Council Board Members; and

37.1.4 if appointed, up to three Board Members shall be the Parent Appointees (as defined in Rule 37.79).

37.2 The Association shall keep up to date a register of the names of the Board Members which shall be made available to any person at no cost. The names of Board Members will also be published by the Association on its website, and in its annual reports and other similar documentation.

~~37.2 The first Board Members will be the Members who have signed the application to register the Association. The first Members and all subsequent Members who are eligible shall be Board Members until there are more than seven Members. Once there are more than seven Members of the Association, at the end of the next annual general meeting, all of the Board Members shall retire.~~

37.3 A person must be aged 18 or over to become a Tenant Board Member ~~(including any person appointed to fill a casual vacancy or as a co-optee). A person must be aged 18 or over but need not be a Member to become a co-optee, a person appointed by The Scottish Housing Regulator or s Parent Appointee (as defined in Rule 37.7).~~

37.4 With the exception of the Parent Appointees (as defined in Rule 37.79), an employee of the Association, ~~or a Close Relative of an employee,~~ may not be a Board Member.

37.5 No Board Member may take office until they have agreed to and signed the Association's code of conduct for Board Members and their appointment has been ratified by the Parent.

~~37.6 The Tenant Board Members shall be appointed in accordance with the provisions of Rules 40.1 and 41.2.~~

~~37.7 The Independent Board Member shall be nominated by the Board to the Members for election to the Board. The Independent Board Member shall be an individual who has skills and experience that are necessary or desirable to support the Board. The Board shall determine the skills and experience that are needed prior to nomination by the Board of such persons to the Members.~~

37.68 The Council Board Members shall be nominated by the Council and the effective date of appointment of Council Board Members will be the date referred to in Rule 7.34.

37.79 The Parent may from time to time and at any time by written notice to the registered office of the Association appoint up to two-three persons as Board Members (a "Parent Appointees") and by like notice remove or replace a Parent Appointee and, in each case, such appointment or removal shall take effect upon the date of lodgement of such written notice at the registered office of the Association or such later date as may be specified in the notice.

37.840 Notwithstanding any other provision of these Rules:

37.840.1 the Parent is the parent body of the Association and shall be entitled to appoint any number of Board Members and remove from office any and all Board Members as it may in its sole discretion determine;

37.840.2 any appointments and removals from office in terms of Rule 37.840.1 may be made from time to time and at any time in writing signed on behalf of the Parent and served on the Association and, in each case, shall take effect upon the date of lodgement of written notice at the Association's registered office or such later date as may be specified in the notice; and

37.810.3 all candidates for ~~election, re-election,~~ appointment, or re-appointment as Board Members in terms of these Rules shall first be approved in writing by the Parent and any such ~~elections, re-election,~~ appointment or re-appointment of a Board Member shall not take effect unless and until such approval has been given.

37.911 Each of the Board Members shall, in exercising his/her role as a Board Member, act in the best interests of the Association, its Tenants and service users and will not place any personal or other interests ahead of his/her primary duty to the Association; and, in particular, must:

37.911.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects;

37.911.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

37.911.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:

37.911.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board Member; and

37.911.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the Association and refrain from participating in any discussions or decisions involving the other Board Members with regard to the matter in question; and

37.911.4 ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

37.10 The Board can require that a Board Member who is being investigated for a potential breach of the Association's Code of Conduct for Board Members take leave of absence and not attend any meeting in his/her capacity as a Board Member until the Board has completed its consideration of the potential breach. When on such leave of absence, the Board Member will not be entitled to receive minutes and/or documents in his/her capacity as a Board Member relating to the business of the Association.

Interests

38.1 The Board shall set and periodically review its policy on payments and benefits. If a person is a Member, employee of the Association or serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Association shall act at all times with transparency, honesty and propriety.

38.2 The terms of Rule 38.1 shall not apply to contracts of employment of the Group Chief Executive or the Group Director of Finance or any payments or benefits made or provided thereunder.

38.3 If a person serves on the Board or any sub-committee he/she must declare any personal or other external interests on an annual basis in accordance with the Association's Code of Conduct for Board Members. If while serving on the Board that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he/she must tell the Board. He/she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter

or to stay in the meeting while any vote on the matter is being held. If that person is inadvertently allowed to stay in the meeting and vote on the matter, his/her vote will not be counted. If no quorum exists for the purpose of voting on a matter only because of the operation of this Rule 38.32, provided that there are at least three remaining Board Members who are entitled to remain in terms of this Rule 38.32, such remaining Board Members are deemed to constitute a quorum for the purposes of voting and may proceed to make a decision as a quorate Board.

- 38.4 For the purposes of these Rules, a Tenant Board Member shall be deemed not to have a conflict of interest or other interest in respect of matters considered or to be considered by the Board or by a sub-committee which relate to the Tenants or a group of Tenants, provided that Rule 38.5 is complied with. There shall be a conflict of interest or other interest for the purposes of these Rules for a Tenant Board Member if his/her own tenancy agreement or the rights and/or obligations thereunder are considered by the Board or a sub-committee.
- 38.5 A Board Member may remain in any meeting and/or vote for any matter where the same is permitted by any legal and other provisions with which Board Members are bound to comply.
- 38.6 A Board Member may also be a director or other officer of, or employed by, or otherwise interested in, any member of the Group or in any other body corporate in which the Association is otherwise interested.
- 38.7 If a person serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the Charities and Trustee Investment (Scotland) Act 2005 and as set out in the Association's policy referred to in Rule 38.1. He/she shall also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 in respect of any conflict of interest that might arise.

ELECTING-APPOINTING BOARD MEMBERS

- 39.1 Each Tenant Board Member ~~appointed~~ and Independent Board Member ~~elected~~ appointed under these Rules shall be ~~elected-appointed~~ for a fixed term of office expiring at the conclusion of ~~an annual general meeting~~three years (a "fixed term"). ~~The fixed term shall be for a term of three annual general meetings,~~ unless the Board has set a lower number of ~~annual general meetings~~years for the relevant Board Member on their appointment ~~or election~~. No fixed term shall be set which would cause the relevant Board Member to serve ~~beyond their ninth consecutive annual general meeting for more than a period of nine years (whether continuous or in aggregate), unless otherwise approved by the Parent in accordance with Rule 39.6.~~
- 39.2 ~~At every annual general meeting e~~Each Tenant Board Member and/or Independent Board Member who has served their fixed term shall retire from office at the Board Meeting held immediately after expiry of their fixed term. Any Board Member who retires from office ~~at an annual general meeting~~ under this Rule 39.2 shall be eligible for re-appointment ~~/re-election~~ subject to the following:
- 39.2.1 where any Board Member retiring under this Rule 39.2 has only served one fixed term, that Board Member can be re-appointed ~~or stand for re-election without being nominated by the Board;~~
- 39.2.2 where any Board Member retiring under this Rule 39.2 has served two fixed terms, that Board Member shall be eligible for re-appointment ~~or re-election~~ for one further fixed term, but only with the prior approval of the Parent; and

- 39.2.3 where any Board Member has nine years' service on the Board, that Board Member shall automatically retire at the end of their ninth year, ~~regardless of whether this date is the date of an annual general meeting,~~ and shall not be eligible for re-appointment, unless the Parent agrees otherwise in accordance with Rule 39.6 or re-election.
- 39.3 At the end of the term of office of the Council during which they were nominated or last re-nominated, all Council Board Members shall retire.
- 39.4 Board Members must also retire if they have been co-opted onto the Board under Rule 42.1 ~~or have filled casual vacancies under Rule 41.~~
- 39.5 If a Board Member leaves the Board for any reason other than by virtue of Rule 39.2, that Board Member will not be eligible ~~to stand for re-election~~ appointment or to be co-opted on to the Board until the expiry of five years following the date on which they left the Board, unless otherwise agreed by the Parent.
- 39.6 Other than the Parent Appointees (if appointed) no Board Member shall serve more than nine years' service in total on the Board, whether continuously or in aggregate, unless the Parent agrees otherwise. The Parent shall be entitled to approve a longer fixed term for any Board Member following the expiry of nine years' service where the Parent is satisfied that a Board Member is able to demonstrate his/her continued effectiveness as a Board Member. Where the Parent approves the re-appointment of a Board Member in terms of this Rule 39.6, the Parent shall review that Board Member's appointment on an annual basis.
- 39.7 If a Board Member retires from the Board in terms of these Rules and ~~stands for re-election~~ is re-appointed, subject to Rule 39.6, any time previously served on the Board shall count towards their period of service for the purposes of Rule 39.6.
- 39.8 The other terms of this Rule 39 shall not apply to the Parent Appointees (if appointed) who shall not be required to retire at any ~~annual general meeting~~ Board Meeting.
- ~~40.1 Prior to each annual general meeting, an open recruitment process shall be held for the number of Tenant Board Members to be appointed thereat. The mode and manner of such recruitment shall be such as to allow all Tenants the opportunity to seek appointment as a Tenant Board Member. The Board shall determine the mode and manner of such recruitment following any recommendations from the Tenant Board Members provided that the Board is satisfied that the recommendation is democratic, fair and in the best interests of the Association.~~
- ~~40.2 All elections for Independent Board Members and appointments of Tenant Board Members made at either a general meeting or a Board Meeting shall be in accordance with directions made by the Board or in the absence of such directions in the manner directed by the Chairperson. Each Member or, as the case may be, Board Member present in person or by proxy shall be entitled to one vote for each Independent Board Member vacancy to be filled but shall not give more than one vote to any one candidate.~~
- ~~40.3 Nominations for the Board must be in writing, must give the full name, address and occupation of the person being nominated and otherwise be in accordance with the criteria and procedures for the nomination of prospective Board Members which the Board determines to be in the best interests of the Association. Nominations must be signed by and include a signed statement from the person being nominated to show that they are willing to be elected.~~

~~41.1 If an Independent Board Member or a Tenant Board Member leaves the Board between the annual general meetings, this creates a casual vacancy and the Board can appoint another person to take their place on the Board until the next annual general meeting.~~

39.941.2 If a Board Member nominated by the Council leaves the Board at any time for whatever reason between the annual general meetings, the Council shall nominate another person to take their place and such person shall be deemed to be a Council Board Member for the purpose of these Rules and shall hold office until the end of the term of office of the Council during which the appointment is made. The Council shall retain the right to replace its nominees, at any time, by formal notification to the Association.

40.1 The Board shall determine the appointment process for Tenant Board Members and Independent Board Members from time to time, subject to the approval of the Parent.

40.2 An application for appointment to the Board can be rejected by a decision by not fewer than three quarters of the Board Members on one or more of the following grounds:

40.2.1 where appointment to the Board would be contrary to the Association's Rules or policies;

40.2.2 where a conflict of interest may exist which, even allowing for the disclosure of such an interest may adversely affect the work of the Association; or

40.2.3 where there is clear evidence of relevant circumstances from which it is concluded that appointment to the Board would not be in the best interests of the Association.

41 The rejection of an application for appointment to the Board shall be notified to the person concerned in writing following the relevant Board Meeting.

Co-optees

42.1 Subject to approval by the Parent, the Board can co-opt to the Board or to a sub-committee anyone it considers is suitable to become a Board Member or member of a sub-committee. Co-optees do not need to be Members, but they can only serve as co-optees on the Board or sub-committee for a period of up to one year or until the next annual general meeting or until removed by the Board. A person co-opted to the Board can also serve on any sub-committees.

42.2 A person appointed as a co-optee shall undertake the role of Board Member or member of a sub-committee and accordingly will be subject to the duties and responsibilities of a Board Member. Co-optees can take part in discussions at the Board or any sub-committees and vote at Board and sub-committee meetings on all matters except those which directly affect the se Rules, the membership of the Association or the election of the Association's Office Bearers. Co-optees may not stand for election, nor be elected as one of the Office Bearers of the Board.

42.3 Board Members co-opted in this way must not make up more than one-third of the total number of the Board or sub-committee members at any one time. The presence of co-optees at Board Meetings will not be counted when establishing whether the minimum number of Board Members are present to allow the meeting to take place as required by Rule 48 and the presence of co-optees will not count towards the quorum for sub-committee meetings.

Eligibility for the Board

- 43.1 A person will not be eligible to be a Board Member and cannot be appointed ~~or elected~~ as such if:
- 43.1.1 he/she ~~has been adjudged~~ is an undischarged bankrupt, has granted a trust deed ~~for or entered into an arrangement with creditors or his/her estate has been sequestrated and which~~ has not been discharged or is in a current Debt Payment Plan under the Debt Arrangement Scheme;
 - 43.1.2 he/she has been convicted of an offence involving dishonesty which is not spent by virtue of the Rehabilitation of Offenders Act 1974 or an offence under the Charities and Trustee Investment (Scotland) Act 2005;
 - 43.1.3 he/she is a party to any legal proceedings in any Court of Law by or against the Association;
 - 43.1.4 he/she is or will be unable to attend the Board Meetings for a period of 12 months;
 - 43.1.5 he/she has been removed from the Board of another registered social landlord within the previous five years;
 - 43.1.6 he/she has resigned from the Board in the previous five years in circumstances where the resignation was submitted after the date of his/her receipt of notice of a special Board Meeting convened to consider a resolution for his/her removal from the Board in terms of Rule 44.5 or 44.6;
 - 43.1.7 he/she has been removed from the Board in terms of Rules 44.4, 44.5 or 44.6 within the previous five years;
 - 43.1.8 he/she has been removed, disqualified or suspended from a position of management or control of a charity under the provisions of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 or the Charities and Trustee Investment (Scotland) Act 2005;
 - 43.1.9 he/she has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commissioners for England and Wales or by Her Majesty's High Court of Justice in England on the grounds of any misconduct in the administration of the charity for which he/she were responsible or to which he/she were privy, or which his/her conduct contributed to or facilitated;
 - 43.1.10 a disqualification order or disqualification undertaking has been made against that person under the Company Directors Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (which relate to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company);
 - 43.1.11 his/her application for appointment to the Board has been rejected in accordance with Rule 40.2;

- 43.1.1²⁴ he/she has been removed from the governing body of any other member of the Group;
 - 43.1.1³² he/she has left the Board and a period of five years has not expired since his/her departure, unless otherwise agreed by the Parent in accordance with the terms for the purposes of Rule 39.5;
 - 43.1.1⁴³ he/she is a Council Board Member and becomes a Tenant Board Member, provided that he/she can be or remain or be re-nominated as a Council Board Member if he/she is or becomes a Tenant;
 - 43.1.1⁵⁴ he/she is a Tenant Board Member and ceases to be a Tenant or becomes a Council Board Member;
 - 43.1.1⁶⁵ he/she is an Independent Board Member and (a) becomes a Tenant Board Member, provided that he/she can be or remain or be re-~~elected~~ appointed as an Independent Board Member if he/she becomes a Tenant; or (b) becomes a Council Board Member; or
 - 43.1.1⁷⁶ he/she no longer meets any specific eligibility criteria relative to the Constituency under which he/she was appointed or elected as a Board Member.
- 43.2 A person cannot be re-~~elected~~ appointed as a Board Member if the Board is not satisfied of the individual's continued effectiveness as a Board Member. In these circumstances the Board must not allow the individual to be re-appointed ~~or stand for re-election~~.
- 44 A Board Member will cease to be a Board Member if:
- 44.1 he/she resigns his/her position as a Board Member in writing;
 - 44.2 he/she ceases to be a Member unless he/she is a co-optee in terms of Rule 42.1 or an appointee of The Scottish Housing Regulator or a Parent Appointee;
 - 44.3 he/she misses four Board Meetings in a row without special leave of absence previously being granted by the Board either at his/her request or by exercise of the Board's discretion;
 - 44.4 except in the case of the Parent Appointee^s, the majority of Members voting at a general meeting decide this. ~~The Members at the meeting may then elect someone to take his/her place where he/she is an Independent Board Member. If a replacement is not elected at the meeting, the Board may appoint a Board Member in terms of Rule 41;~~
 - 44.5 except in the case of the Parent Appointee^s, the majority of those remaining Board Members present and voting at a special meeting of the Board convened for the purpose decide to remove him/her as a Board Member. The resolution to remove him/her as a Board Member must relate to one of the following issues:
 - 44.5.1 failure to perform to the published standards laid down by ~~the Scottish Federation of Housing Associations and/or~~ The Scottish Housing Regulator adopted and operated by the Association;
 - 44.5.2 failure to sign or failure to comply with the Association's Code of Conduct for Board Members; or

- 44.5.3 a breach of the Association's Rules, standing orders or other policy requirements;
- 44.6 he/she has failed to comply with the terms of any suspension or direction previously issued by the Board pursuant to this Rule 44.6, the Board may by a majority vote of those Board Members present and voting (excluding abstentions) at such special meeting of the Board:
 - 44.6.1 remove that Board Member from office;
 - 44.6.2 suspend that Board Member from office on such terms and for such period as they may determine;
 - 44.6.3 censure that Board Member in such manner as the Board may determine; or
 - 44.6.4 make a direction requiring that Board Member to act or refrain from acting in a particular manner,

provided that any Board Member suspended in accordance with the terms of this Rule 44 shall not, for the period of suspension, be entitled to attend or vote at any Board Meeting nor receive notice of any such Board Meeting during the period of such suspension;
- 44.7 he/she becomes ineligible as a Board Member in terms of Rule 43;
- 44.8 he/she is a co-optee whose period of office is ended in accordance with Rules 39.4 or 42.1;
- 44.9 he/she is a Board Member retiring in accordance with Rule 39.2; or
- 44.10 he/she is ~~the a~~ Parent Appointee and the Parent subsequently removes him/her from the Board.

POWERS OF THE BOARD OF MANAGEMENT

- 45 The Board is responsible for directing the affairs of the Association and its business and may do anything lawful which is necessary or expedient to achieve the objects of the Association. The Board is not permitted to exercise any powers which are reserved to the Association in general meetings either by these Rules or by statute. The Board is responsible for the leadership, strategic direction and control of the Association with the aim of achieving good outcomes for its Tenants and other service users in accordance with Regulatory Standards and Guidance issued by The Scottish Housing Regulator from time to time. The Board is responsible for ensuring that the Association can demonstrate its governance and financial arrangements are such as to allow The Scottish Housing Regulator to regulate effectively and exercise its full regulatory powers.
- 46 The Board acts in the name of the Association in everything it does. A third party acting in good faith and without prior notice does not need to check if the powers of the Board have been restricted, unless they are already aware that such a restriction may exist.
- 47 Amongst its most important powers, the Board can:
 - 47.1 buy, sell, build upon, lease or exchange any land and accept responsibility for any related contracts and expenses;

- 47.2 agree the terms of engagement and remuneration of anyone employed in connection with the business of the Association and act as employer for anyone employed by the Association;
- 47.3 grant heritable securities over land owned by the Association and floating charges over all or any part of property and assets both present and in future owned by the Association. This includes accepting responsibility for any related expenses;
- 47.4 decide, monitor and vary the terms and conditions under which property owned by the Association is to be let, managed, used or disposed of;
- 47.5 appoint and remove solicitors, surveyors, consultants, managing agents and employees, as required by the Association's business;
- 47.6 refund any necessary expenses as are wholly necessary incurred by Board Members and sub-committee members in connection with their duties;
- 47.7 compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association; and
- 47.8 accept donations in support of the activities of the Association.

BOARD PROCEDURE

- 48 It is up to the Board to decide when and where to hold its ordinary meetings, but it must meet at least six times per calendara year. There must be at least four Board Members present for the meeting to take place including (if appointed) at least one of the Parent Appointees (unless all of the Parent Appointees haves presented their apologies in advance of the meeting).
- 49 The Board will continue to act while it has vacancies for Board Members. However, if at any time the number of Board Members falls below seven, the Board can continue to act only for another two months. If at the end of that period the Board has not found new Board Members to bring the number of Board Members up to seven, the only power it will have is to act to bring the number of Board Members up to seven.
- 50 Board Members must be sent written notice of Board meetings posted, or delivered, by hand or sent by ~~fax or email~~ electronic communication to the last such address for such communications given to the Secretary at least seven days before the date of the meeting, unless the Chairperson determines, in relation to a specific proposed Board Meeting, that a shorter period is required. The accidental failure to give notice to a Board Member or the failure of the Board Member (other than the Parent Appointees) to receive such notice shall not invalidate the proceedingss of the relevant meeting.
- 51 ~~Meetings of the Board~~ Meetings can take place in any manner which permits those attending to hear and comment on the proceedings. A Board Member may participate in a Board Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Board Members participating in the Board Meeting can communicate with each other. A Board Member participating in a Board Meeting in this manner shall be deemed to be present in person at the Board Meeting.

- 52.1 All speakers must direct their words to the Chairperson. All Board Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.
- 52.23 If any point arises which is not covered in these Rules, the Chairperson, whom failing the Vice Chairperson, will give his/her ruling which will be final.
- 534 All acts done in good faith as a result of a Board Meeting or sub-committee meeting will be valid even if it is discovered afterwards that a Board Member was not entitled to be on the Board.
- 545 A written resolution signed-agreed in writing or by electronic communication by not fewer than three quarters of the Board Members, one of whom must be a Parent Appointee, or three quarters of the members of a sub-committee will be as valid as if it had been passed at a Board Meeting or sub-committee meeting duly called and constituted.
- 55 Subject to these Rules, the Board may agree any arrangements which it thinks fit about how it takes decisions, and about how such arrangements are to be recorded or communicated to Board Meetings, subject to the prior approval of the Parent.

Special Board Meetings

- 56.1 The Chairperson, whom failing the Vice Chairperson, the Parent or two Board Members can request a special meeting of the Board by writing to the Secretary with details of the business to be discussed. The Secretary will send a copy of the request to all Board Members and to the Parent within three working days of receiving it. The meeting will take place at a place mutually convenient for the majority of Board Members, normally the usual place where Board Meetings are held, between 10 and 14 days after the Secretary receives the request.
- 56.2 No other business may be discussed at the meeting other than the business for which the meeting has been called.
- 56.3 If the Secretary does not call the special meeting as set out above, the Chairperson or the Board Members who requested the meeting can call the meeting. In this case, they must write to all Board Members at least seven days before the date of the meeting.
- 57 If a Board Member (other than the Parent Appointee^s) does not receive notice of the meeting, this will not prevent the meeting going ahead.

Sub-committees

- 58.1 The Board can delegate its powers to sub-committees or to staff or to Office Bearers with the prior written approval of the Parent. The Board will establish the terms of reference for such delegation, which will be set down in writing and communicated to the recipient of the delegated powers. Such delegation will be set out down in writing in standing orders, schemes of delegated authority or other appropriate documentation. In the case of a sub-committee such delegation shall include the purposes of the sub-committee, its composition and quorum for meetings. A minimum number of members for a sub-committee shall be three. There must be at least three of the members of a sub-committee present for the meeting to take place. The Board shall be responsible for the on-going monitoring and evaluation of the use of delegated powers.

- 58.2 The meetings and procedures of sub-committees or otherwise must comply with the relevant terms of reference.
- 58.3 Any decision made by a sub-committee must be reported to the next Board Meeting.
- 58.4 The Board can establish and delegate powers to sub-committees, designated as Area Committees, to take decisions relating to the management and maintenance of properties within a particular geographical area. The Board will determine the membership and delegated responsibility of an Area Committee in its terms of reference. An Area Committee shall exercise such delegated powers notwithstanding the provisions of Rules 42.1 and 42.3 which provisions shall not apply to Area Committees.

THE SECRETARY AND OFFICE BEARERS

- 59.1 The Association must have a Secretary, a Chairperson, a Vice Chairperson and any other Office Bearers the Board considers necessary. The Office Bearers, except for the Secretary, must be ~~elected~~ Board Members ~~and but~~ cannot be co-optees. An employee of the Association, the Parent or any other member of the Group may hold the office of Secretary although shall not be a Board Member. The Board will appoint these Office Bearers. If the Secretary cannot carry out his/her duties, the Board, or in an emergency the Chairperson, can ask another Office Bearer or employee to carry out the Secretary's duties until the Secretary returns. The appointment of an Office Bearer in terms of these Rules is subject to the prior written approval of the Parent.
- 59.2 The Secretary and the other Office Bearers will be controlled, supervised and instructed by the Board in respect of performance of their respective duties (which duties, in the case of the Secretary, are those set out in Rule 59.3).
- 59.3 The Secretary's duties include the following (these duties can be delegated to an appropriate employee with the Secretary assuming responsibility for ensuring that they are carried out in an effective manner):
 - 59.3.1 calling and going to all meetings of the Association and all the Board Meetings;
 - 59.3.2 keeping the minutes for all meetings of the Association and Board;
 - 59.3.3 sending out letters, notices calling meetings and relevant documents to Members before a meeting;
 - 59.3.4 preparing and sending all the necessary reports to the Financial Conduct Authority and The Scottish Housing Regulator;
 - 59.3.5 ensuring compliance with these Rules;
 - 59.3.6 keeping the Register of Members and other registers required under these Rules; and
 - 59.3.7 supervision of the Association's seal.
- 59.4 The Secretary must produce or give up all the Association's books, registers, documents and property whenever requested by a resolution of the Board, or of a general meeting.
- 59.5 ~~At its first meeting after registration of the Association, the Board will elect the Chairperson of the Association from among the Tenant Board Members. Thereafter~~ ~~a~~The Chairperson will be appointed from among the Tenant Board Members in accordance with Rule 59.76 and shall hold office for a period which shall commence on the date of the Chairperson's appointment and shall expire immediately prior to

the next scheduled Board Meeting held after the expiry of three years from the date of appointment (the "office term"), subject always to the provisions of Rule 39.

Role of the Chair

59.6 The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, the Rules and the standing orders of the Association. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office. Among the responsibilities of the Chairperson are that:

- 59.6.1 the Board works effectively with the senior staff;
- 59.6.2 an overview of business of the Association is maintained;
- 59.6.3 the Agenda for each meeting is set;
- 59.6.4 meetings are conducted effectively;
- 59.6.5 minutes are approved and decisions and actions arising from meetings are implemented;
- 59.6.6 the standing orders, code of conduct for Board Members and other relevant policies and procedures affecting the governance of the Association are complied with;
- 59.6.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
- 59.6.8 the Board monitors the use of delegated powers;
- 59.6.9 the Board receives professional advice when it is needed;
- 59.6.10 the Association is represented at external events appropriately;
- 59.6.11 appraisal of the performance of Board Members is undertaken, and that the senior staff officer's appraisal is carried out in accordance with the agreed policies and procedures of the Association; and
- 59.6.12 the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.

59.76 The Chairperson must be elected from the Board Members (excluding co-optees) which election must ~~then~~ be approved ~~in writing~~ by the Parent. The Chairperson must be prepared to act as Chairperson until the end of their office term (unless he/she resigns the post). The Chairperson can only be required to resign if a majority of the remaining Board Members present at a special meeting agree to this.

59.87 If the Chairperson is not present at a Board Meeting or is not willing to act, the Vice Chairperson will act as the chairperson for the Board Meeting. If the Vice Chairperson is also not present or willing to act, the Board Members present will elect another Board Member to be chairperson for the Board Meeting. If the Chairperson arrives at the meeting late, he/she will take over as Chairperson of the Board Meeting as soon as the current agenda item is concluded.

59.98 If the votes of the Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.

59.109 The Chairperson can resign his/her office in writing to the Secretary and must resign if he/she leaves the Board or is prevented from ~~standing for, or~~ being ~~elected~~ appointed to the Board under Rule 43. The Board will then elect another Board Member as Chairperson.

59.110 The Chairperson can be re-elected upon expiry of their office term for a further maximum of two years and must not hold office continuously for more than five years,

unless otherwise approved by the Parent, subject always to the provisions of Rule 39.

59.1²⁴ Upon expiry of their period of service as Chairperson, the Chairperson must resign as a Board Member and leave the Board. If the Chairperson resigns under Rule 59.7⁶ or 59.10⁹ then they shall also be deemed to have resigned as a Board Member, regardless of the length of their period of service as Chairperson.

59.1³² The Board shall elect a Vice Chairperson from amongst Board Members whose powers and responsibilities shall be on such terms as the Board may determine. The Vice Chairperson can resign his/her office in writing to the Secretary and must resign if he/she leaves the Board, is suspended in terms of Rule 44.6.2 or is prevented from standing for or being elected to the Board under Rule 43. The Board will then elect another Board Member as Vice Chairperson.

FINANCIAL GUARANTEES FOR OFFICERS

60.1 The Board shall take out fidelity guarantee insurance to cover all Office Bearers and employees who receive or are responsible for the Association's money, or, these office bearers and employees must be covered by a bond as set out in Schedule 1 of the Co-operative and Community Benefit Societies Act 2014, or a guarantee under which they promise to account for and repay money due to the Association accurately.

60.2 The Board shall have the power to purchase and maintain indemnity insurance for, or for the benefit of, persons who are, or were at any time, Board Members, officers or employees of the Association. A Board Member may form part of a quorum and vote at a meeting where such insurance is under consideration notwithstanding the terms of Rules 38.1 and 38.3.

61 Office Bearers and employees will not be responsible for the Association's loss while they are carrying out their duties unless there has been gross negligence or dishonesty. If an Office Bearer or employee is dishonest, the Association will try to recover any loss that it has suffered and may alert the police or other relevant authority.

THE BOARD'S MINUTES, SEAL, REGISTERS AND BOOKS

Minutes

62 Minutes of every general meeting, Board Meeting and sub-committee meeting must be kept. Those minutes must be presented at the next appropriate meeting and if accepted as a true record, signed by the cChairperson of the meeting at which they are presented. All minutes signed by the cChairperson of the meeting shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

Execution of Documents and Seal

63 The Association shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Association

may have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary or a Board Member or another person duly authorised to subscribe the deed or document on the Association's behalf and recorded in the register.

Registers

- 64 The Association must keep at its registered office a Register containing:
 - 64.1 the names and addresses of the Members and where provided for the purposes of electronic communication, fax numbers and email addresses;
 - 64.2 a statement of the share held by each Member and the amount each Member paid for it;
 - 64.3 the date each person was entered in the Register as a Member and the date at which any person ceased to be a Member of the Association;
 - 64.4 a statement of other property in the Association, whether in loans or loan stock held by each Member; and
 - 64.5 the names and addresses of the Office Bearers of the Association, their positions and the dates they took and left office.
- 65.1 The Association must also keep at its registered office:
 - 65.1.1 a second copy of the Register showing the same details as above but not the statements of shares and property. This second register must be used to confirm the information recorded in the main Register;
 - 65.1.2 a register of loans and to whom they are made; and
 - 65.1.3 a register showing details of all loans and charges on the Association's land.
- 65.2 The inclusion or omission of the name of any person from the original Register of Members shall, in the absence of evidence to the contrary, be conclusive that the person is or is not a Member of the Association.

Registered Name

- 66 The registered name of the Association must be clearly shown on the outside of every office or place where the Association's business is carried out. The name must also be engraved clearly on the Association's seal and printed on all its business letters, notices, adverts, official publications, website and legal and financial documents.

Documentation

- 67 The Association's books of account, registers, securities and other documents must be kept at the Association's registered office or any other place the Board decides is secure.
- 68 At the last Board Meeting before the annual general meeting, the Secretary must confirm in writing to the Board that Rules 62 to 67 have been followed or, if they have not been followed, the reasons for this. The Secretary's confirmation or report must be recorded in the minutes of the Board Meeting.

ACCOUNTS

- 69 The Association must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
- 70 The Board must send the Association's accounts and balance sheet to the Association's auditor. The auditor must then report to the Association on the accounts it has examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010.
- 71 The Association must provide The Scottish Housing Regulator and the Financial Conduct Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate or such other period as may be permitted by the applicable regulatory authority from time to time.

THE AUDITOR

- 72.1 Each year the Association must appoint, at a general meeting of the Association, a qualified auditor to audit the Association's accounts and balance sheet. In this Rule "qualified auditor" means someone who is a qualified auditor under Section 91 of the Co-operative and Community Benefit Societies Act 2014.
- 72.2 None of the following can act as auditor to the Association:
- 72.2.1 a Board Member or employee of the Association;
 - 72.2.2 a person who is a partner of, or an employee or employer of a Board Member or employee of the Association;
 - 72.2.3 an organisation which is a Member of the Association.
- 73 The ~~Association must appoint an auditor within three months of being registered by the Financial Conduct Authority. The Board will appoint the auditor unless there is a meeting of the Association within that time. The~~ Board may appoint an auditor to fill in a casual vacancy occurring between general meetings of the Association. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Association's auditor including the periodic review of the need for audit rotation. The Association must send a copy of its accounts and the auditor's report to The Scottish Housing Regulator within six months of the end of the period to which they relate or such other period as may be permitted by The Scottish Housing Regulator from time to time.
- 74.1 An auditor appointed to act for the Association one year will be re-appointed for the following year unless:
- 74.1.1 a decision has been made at a general meeting to appoint someone else or specifically not to appoint them again;
 - 74.1.2 they have given the Association notice in writing that they do not want to be re-appointed;
 - 74.1.3 they are not a qualified auditor or are excluded under Rule 72.2;
 - 74.1.4 they are no longer capable of acting as Auditor to the Association; or
 - 74.1.5 notice to appoint another Auditor has been given.

- 74.2 To prevent an auditor being re-appointed or to appoint another person as auditor, not less than 28 days' notice must be given to the Association that the matter requires to be discussed at the next meeting of the Association.
- 74.3 The Association shall give notice to the auditor who is to be asked to step down that the matter will be discussed at the next meeting of the Association. If possible the Association will also give proper notice of this matter to the Members but if this is not possible, the Association can give notice by advertising in the local newspaper at least 14 days before the meeting.
- 74.4 The retiring auditor may make representations to the Association or give notice that he/she intends to make representations at the meeting and the Association must tell the Members of any representations made by the auditor under Section 95 of the Co-operative and Community Benefit Societies Act 2014.

ANNUAL RETURNS AND BALANCE SHEET

- 75.1 Every year, within the time allowed by the law, the Secretary shall send to the Financial Conduct Authority the annual return in the form required by the Financial Conduct Authority.
- 75.2 The Secretary must also send:
- 75.2.1 a copy of the auditor's report on the Association's accounts for the period covered by the return; and
 - 75.2.2 a copy of each balance sheet made during that period and of the auditor's report on that balance sheet.
- 76 If requested, the Association must provide a free copy of the latest annual return and auditor's reports to Members or people with a financial interest in the Association.
- 77 The Association must always keep a copy of the latest balance sheet and auditor's report publicly displayed at its registered office.
- 78 The Association must comply with the requests of The Scottish Housing Regulator for annual returns.

SURPLUSES AND DONATIONS

- 79.1 The Association must not distribute its surpluses to Members.
- 79.2 The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Association and the Board shall report to the Members on such donations.

INVESTMENTS

- 80 The Association's funds may be invested by the Board in such manner as is permitted by its investment policy subject always to the requirement that the Association will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.

INSPECTING THE REGISTER

- 81 Any Member or person having a financial interest in the Association can inspect their own account. They may also inspect the second copy of the Register of Members which shall be made available to them for inspection within seven days of the request of a Member or eligible person. The books must be available for inspection at the place they are kept at all reasonable hours. The Board may set conditions for inspecting the books. ~~The Association will also maintain a register of the names of those Members who have given consent for this purpose which shall be made available for inspection within seven days of the request of any person.~~

DISPUTES

- 82 Every dispute between the Association or the Board and:
- 82.1 a Member;
- 82.2 a person aggrieved who has ceased to be a Member within the previous six months;
or
- 82.3 a person claiming under the Rules of the Association,
- shall be dealt with in accordance with these Rules and any procedures determined by the Board from time to time but without prejudice to all rights which any person may have to raise an action on the matter in any court with competent jurisdiction, including without prejudice the Sheriff Court in the Sherriffdom in which the Association's registered office is located.

STATUTORY APPLICATIONS TO THE FINANCIAL CONDUCT AUTHORITY

- 83 Any two Members of the Association who have been Members for at least the 12 previous months can apply to the Financial Conduct Authority to appoint an accountant or actuary to inspect and report on the Association's books on payment to the Financial Conduct Authority of the costs required.
- 84 One-tenth of the Members can apply to the Financial Conduct Authority to:
- 84.1 appoint an inspector to examine and report on the affairs of the Association; or
- 84.2 call a special general meeting of the Association.

COPIES OF RULES

- 85 The Secretary shall, on demand, provide a copy of the Rules of the Association free of charge to any Member who has not previously been given a copy and, upon payment of such fee as the Association may require, not exceeding the amount specified by law, to any other person.

CLOSING DOWN THE ASSOCIATION

- 86.1 The Association may be closed down in either of the following ways:
- 86.1.1 by an order or resolution to wind up the Association as set out in the Insolvency Act 1986 ~~and/or Section 105 of the Housing (Scotland) Act 2010~~; or

- 86.1.2 in accordance with Section 119 of the Co-operative and Community Benefit Societies Act 2014, by an instrument of dissolution to which not less than three-fourths of the Members have given their consent testified by their signatures to the instrument.
- 86.2 The prior approval of the Office of the Scottish Charity Regulator is required before the Association can be dissolved. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to dissolve.
- 87 If any property remains after the Association has paid its debts, this property will be transferred to such other charitable registered social landlord as determined by The Scottish Housing Regulator.

CHANGING THE RULES

- 88.1 Any changes to these Rules shall require the prior written approval of the Parent and, subject to such consent, these Rules can be changed or deleted and new Rules can be introduced if:
- ~~88.1.1~~ three-quarters of the votes at a special general meeting are in favour of the change(s); ~~and~~
- ~~88.1.2~~ ~~The Scottish Housing Regulator has approved the change(s).~~
- 88.2 Where an amendment of these Rules affects the purposes of the Association the prior approval of the Office of the Scottish Charity Regulator is required. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to amend its purposes. Any other amendment of these Rules requires to be notified to them within three months of the change having been made.
- 88.3 The Association must apply to the Financial Conduct Authority to register every rule change as set out in treasury regulations. Each Member must receive a copy of the change. No change is valid until it has been registered by the Financial Conduct Authority. The Association must notify The Scottish Housing Regulator within 28 days of the change or amendment being made.
- 88.4 The Association can change its name if:
- 88.4.1 three-quarters of the votes at a special general meeting are in favour of the change;
- 88.4.2 the Financial Conduct Authority approves the change in writing;
- 88.4.3 the Office of the Scottish Charity Regulator has given its prior approval. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to change its name; and
- 88.4.4 the Parent approves the change in writing.
- 88.5 If the Association changes its name in terms of Rule 88.4 it must ~~inform~~ notify The Scottish Housing Regulator in writing within ~~28~~ 14 days of the change being made.
- 88.6 The Association can change its registered office but must:

- 88.6.1 notify The Scottish Housing Regulator ~~and the Financial Conduct Authority~~ of the change in registered office within ~~seven working~~²⁸ days of the decision having been made;
- ~~88.6.2~~ notify the Financial Conduct Authority as soon as possible after the change in registered office has been made;
- 88.6.~~32~~ notify the Office of the Scottish Charity Regulator within three months of the change having been made; and
- 88.6.~~43~~ obtain the prior written approval from the Parent.

INTERPRETING THESE RULES

- 89.~~4~~ In these Rules, the following words and phrases have the meanings given below:
- 89.~~4~~.1 "A person claiming through a Member": includes an heir executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a Member's share after his death. It would also cover executors of a former Member.
- 89.~~4~~.2 "Association" means the registered social landlord referred to in Rule 1 whose Rules these are.
- 89.~~4~~.3 "Board" means the Board of Management (or such other term that is used by the Association to denote the governing body of the Association) referred to in Rule 37.1.
- 89.~~4~~.4 "Board Meeting" means a meeting of the Board.
- 89.~~4~~.5 "Board Member" means a member of the Board.
- 89.~~4~~.6 "Chairperson" means the Chairperson of the Association (or such other term that is used by the Association to denote the holder of this office) referred to in Rule 59.1.
- 89.~~4~~.7 "charitable" means both charitable under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- 89.~~4~~.8 "clear days" excludes, in relation to the period of a notice, the day after the notice is posted (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting.
- ~~89.1.9~~ "Close Relative" means someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister.
- 89.~~4~~.~~9~~¹⁰ "Constituencies" means the constituencies of the Board represented by the Tenants, the Council and the Independent Sector and "Constituency" means any one of them.
- 89.~~4~~.~~10~~¹¹ "Council" means Glasgow City Council or any successor body.
- 89.~~4~~.~~11~~¹² "Council Board Member" means a Board Member who has been nominated by the Council and who is appointed to the Board pursuant to Rule 37.~~6~~⁸.
- ~~89.1.13~~ "days" includes, in relation to the period of a notice, the day the notice is posted (or, in the case of a notice sent by electronic means, the day it was sent) and also the day of the meeting.

89.12 "electronic communication" has the meaning given in the Electronic Communications Act 2000;

89.4.134 "Financial Conduct Authority" means the registering authority for societies registered under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 set up in terms of the Financial Services Act 2012 or its successor body.

89.4.145 "Group" means the Parent, the Association and any Subsidiary from time to time.

89.4.156 "Group Agreement" means the written agreement from time to time between the Association and the Parent in relation to the objectives and operation of the Group.

89.4.167 "Group Chief Executive" means the chief executive of the Group from time to time.

89.4.178 "Group Director of Finance" means the director of finance of the Group from time to time.

89.4.189 "Guarantee" means any guarantee and includes any obligation (including as primary obligor), including a contract of indemnity or suretyship, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any Subsidiary or any other person.

89.4.1920 "Independent Board Member" means a Board Member who is neither a Tenant Board Member, a Council Board Member, nor the Parent Appointee.

89.4.204 "Independent Sector" means such sector as is representative of neither the Tenants nor the Council.

89.4.212 "Meeting" means a general meeting of the Association, whether special, general or annual referred to in Rules 20-23.

89.4.223 "Member" means a member of the Association whose name is entered in the Register of Members.

89.4.234 "Office Bearer" means the Chairperson, Vice Chairperson, Secretary, and such other Officer Bearer appointed under Rule 59.1.

89.4.245 "Office of the Scottish Charity Regulator" means the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland.

89.4.256 "organisation" means a legal body which exists separately and distinctly from its members and includes companies, building societies, community benefit societies, local authorities and so on and also for the purposes of these Rules includes unincorporated organisations such as social clubs, branches of political parties or trade unions and other voluntary bodies.

89.4.267 "Parent" means Wheatley Housing Group Limited, a company incorporated in Scotland (company number SC426094), and a registered social landlord (registration number 363) and having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

89.4.278 "property" includes everything which can be passed on by inheritance (including loans, certificates, books and papers).

89.4.289 "Register of Members" means the register of members referred to in Rule 64.

89.4.2930 "Rules" means the registered Rules of the Association.

89.4.301 "The Scottish Housing Regulator" means The Scottish Housing Regulator as established pursuant to Section 1 of the Housing (Scotland) Act 2010.

89.4.312 "Secretary" means the Office Bearer appointed by the Board to be the Secretary of the Association or anyone authorised by the Board to stand in for the Secretary.

89.4.323 "Subsidiary" means an organisation which is a subsidiary of either the Association or the Parent within the meaning of Section 164 of the Housing (Scotland) Act 2010.

89.4.334 "Taxes Acts" means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010 and any statute or statutory provision which amends, extends, consolidates or replaces the same.

89.4.345 "Tenant" means a residential tenant of the Association from time to time occupying a residential property let by the Association under a Scottish secure tenancy or short Scottish secure tenancy.

89.4.356 "Tenant Board Member" means a Board Member who is ~~elected or~~ appointed to the Board pursuant to ~~Rule 40.1 to 41.2~~ these Rules and is a residential tenant of the Association from time to time occupying a residential property let by the Association under a Scottish secure tenancy or a short Scottish secure tenancy.

89.4.367 "Vice Chairperson" means the vice chairperson of the Association referred to in Rule 59.132.

89.4.378 Words in the singular also include the plural. Words in the plural also include the singular.

89.4.389 A reference to law or statute is a reference to that law or statute as re-enacted, amended or replaced.

~~89.2 In the event of Sterling joining the Euro any sums of money referred to in Sterling in these Rules shall be redenominated into Euros at the rate of exchange applying for such redenomination as at the date of joining the Euro.~~

APPENDIX 1

PROXY FORM

You must use the wording shown below to appoint a representative to vote at a meeting for you. Please see Rule 27.1 for more details.

I (insert name) am a member of (insert name) _____ Limited.

My address is: (please insert).

I hereby appoint (insert name) who lives at (insert address) to be my representative and vote for me at the Association's meeting on (insert date) and any other dates that meeting continues on.

Your name _____

Your signature _____

Date _____

APPENDIX 2

CANCELLATION OF PROXY

You must use the wording shown below to reverse your application to send a representative to vote at a meeting for you. Please see Rule 27.4 for more details.

I (insert name) am a member of (insert name) _____ Limited.

My address is: (please insert).

I hereby revoke the appointment of (insert name) as my representative to vote for me at the Association's meeting on (insert date) made by me on the (insert date).

I no longer authorise the person referred to above to represent me at the meeting referred to above.

Your name _____

Your signature _____

SIGNATURE OF BOARD MEMBERS

Date _____

1 _____

2 _____

3 _____

4 _____ Members

5 _____

6 _____

7 _____

Secretary