



THE GLASGOW HOUSING ASSOCIATION LIMITED

GHA BOARD

MINUTE OF MEETING – FRIDAY 4 October 2019

Present: Bernadette Hewitt (Chair), Jo Armstrong, Andrew Clark, Robert Geddes, Councillor Frank McAveety, Cathy McGrath and Jean Albert Nietcho

In attendance: Martin Armstrong (Group Chief Executive), Anthony Allison (Director of Governance), Steven Henderson (Group Director of Finance), Olga Clayton (Group Director of Housing and Care), Graham Isdale (Group Director of Corporate Affairs), Jehan Weerasinghe (Acting Managing Director, GHA) and (In Part) Tom Barclay (Group Director of Property and Development), David Fletcher (Director of Development) and Jackie McIntosh (Director of Property Development and Initiatives)

1. Apologies for Absence

Apologies were received from Councillor Kenny McLean, Michael McNamara, Professor Paddy Gray and Iwona Mazjuk-Soska.

The Chair confirmed to the Board that Iwona had now taken the decision to step down from the Board. The Chair explained that we would now establish a recruitment process where we would also seek to identify a further individual to support our 2020 succession planning when a further tenant Board member retires from the Board.

2. Declarations of Interest

The Board noted the standing declarations of interest.

3. a) Minute of 16 August 2019 and matters arising

Decided: The Board approved the minute of 16 August 2019

b) Action List

Decided: The Board noted the updates.

4. 2020 Rent Setting

The Board received proposals for the 2020 rent setting options, including how we have taken into account affordability and comparability. It was explained that the proposals were lower than our business plan assumptions as we have utilised reduced borrowing costs and efficiencies to reduce the base proposal.

It was explained that our management costs remain less than the average and that the proposals have been assessed in terms of affordability and comparability.

The Board discussed in detail the current external environment, in particular the level of economic uncertainty and inflation, and the implications of the proposals for our financial viability. It was recognised that we have continued to deliver efficiencies which have allowed us to set a base level below our business plan assumption and we continue to challenge ourselves on costs.

The Board discussed the consultation process, reiterating the importance of understanding our tenant views and how we plan to segment the information being returned. The Board discussed how we can expand the focus groups, in particular to include LivingWell given it is a well-established service.

The Board discussed how we continue to promote our wrap around services, in particular MySavings which we have established can deliver tenant savings greater than the recent rent uplifts.

It was explained that our next strategy has a continued strong focus on supporting tenants in the cost of running a home as well as challenging ourselves on rent assumptions.

The Board discussed our sensitivity testing in relation to Brexit and it was confirmed this has been undertaken in detail and reviewed by the Group Audit Committee.

It was explained that we have undertaken detailed, neighbourhood level analysis of value for money satisfaction to inform our understanding of value drivers for tenants.

Decided: The Board agreed to progress to consultation on a base level of rent and service charge increase for 2020/21 of 3.4%, with options given for 3.9% and 4.4%.

5. High Rise Living Framework – Uniqueness by Design

The Board received a presentation setting out: the challenges and opportunities of high rise living; our current high rise stock portfolio; the proposed high rise living guarantee; and the key themes of the revised framework.

The Board welcomed the proposals, in particular the focus on our tenants rather than the asset itself. The Board recognised that satisfaction levels are already high in our high rise stock but that we were proposing to build on this.

The Board discussed the provision of temporary furnished flats and the proportionality of this within certain stock. It was explained that the temporary accommodation was in part to support homeless allocations and that we were conscious of how it impacted the overall make up of a block. It was further confirmed how we seek to support tenants in such properties.

The Board reemphasised the priority of fire safety within high rise properties and how we can potentially support tenants to reduce energy consumption in high rise properties. It was explained that we are seeking to explore a range of options to improve energy efficiency, including how we can innovate in this area.

The Board discussed the anticipated future demand for high rise properties and how we continue to engage tenants, in particular through the High Rise Living Forum.

Decided: The Board:

- 1) Noted the progress to date on promoting High Rise Living; and**
- 2) Approved the High Rise Living Framework 2020-25.**

6. Delivering Investment in Mixed Tenure Stock - Update

The Board received an update on progress with delivering investment in mixed tenure blocks, include the range of options we have explored.

The Board considered the options in relation to External Wall Insulation ("EWI") and our desire to allow to extend this benefit to tenants wherever possible.

Decided: The Board:

- 1) Noted the updated status of outstanding EWI investment need across the city and our intention to deliver EESSH compliance by 2020;**
- 2) Noted the value of grant award confirmed by GCC for delivery of our HEEPS programme in 2019/20; and**
- 3) Approved the recommendation to deliver EWI to half blocks where majority consent cannot be attained to improve the full block.**

7. Acquisition, disposal and demolitions

[Redacted]

8. Transforming Communities: Glasgow update

The Board received a short update recapping on the purpose and achievements to date of Transforming Communities: Glasgow ("TC:G").

The Board strongly welcomed the significant transformation TC:G is delivering and has planned for the future. In particular, the plans for Sighthill were discussed including the prominence of connectivity for residents.

Decided: The Board:

- 1) Noted GHA's membership of Transforming Communities: Glasgow and the purpose of the partnership; and**
- 2) Noted the significant impact GHA and Wheatley Group subsidiaries has made in the Transformational Regeneration Areas in Glasgow, along with strategic partners Glasgow City Council and Scottish**

Government in the 10 years since the formation of Transforming Communities: Glasgow.

9. Annual Assurance Statement

The Board received an update on the Annual Assurance Statement, which will include our own arrangements.

The Board discussed the evidence and its validation, including by Internal Audit and how it applies to us specifically.

Decided: The Board noted the Group's Annual Assurance Statement, which covers GHA.

10. Governance update

The Board received a summary of the proposed appraisal process for the year and the confirmation of the election of Professor Paddy Gray.

Decided: The Board:

- 1) Approved the appointment of Professor Paddy Gray as Vice-chairperson, subject to the relevant Parent approval; and**
- 2) Noted the approach for 2019 Board appraisal.**

11. Finance Report

The Board received a summary of financial performance for the year to date, in particular the impact of grant recognition as we continue to deliver new homes. The underlying position excluding grant income was set out and in particular the variance in capital spend for new build.

The Board considered rental income and the link to any delays in our development activity.

Decided: The Board noted the management accounts for the period to 31 August 2019.

12. AOCB

There was no other competent business.