



THE GLASGOW HOUSING ASSOCIATION LIMITED

BOARD MEETING

Friday 14 August 2020 at 10.30am

VIA VIDEOCONFERENCE

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of meeting on 10 July 2020 and matters arising
4. Remobilisation of Services update
5. Anti-Social Behaviour update (Presentation only)
6. Homelessness update (Presentation only)
7. Customer satisfaction surveys 2020/21
8. Development update
9. a) 2019/20 Financial Statements
b) Annual Internal Audit Report and Assurance Statement 2019/20
10. Finance Report
11. Five Year Financial Projections
12. Governance update
13. AOCB



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Mobilisation of Services

Date of Meeting: 14 August 2020

1. Purpose

- 1.1 This report provides an update on planned staged approach to the remobilisation of business operations over the coming months, including progress updates on milestones achieved to date.

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. The Board's agreement is therefore sought to the principles of our approach for how we might continue to develop our services over the coming months, subject to the rate at which Scotland moves through the phases of Scottish Government's route map.

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 non-compliance with health and safety requirements.
- 3.2. As lockdown gradually eases across Scotland, our priority will continue to be protecting the health and safety of our customers, our staff and the other people they come into contact with. The paper outlines the progress with our emerging approach agreed by the Board at its meeting on 29 May 2020.

4. Background

- 4.1 Since the previous update to the Board, Scotland moved to Phase 3 of the route map for emerging from lockdown on the 10 July 2020. All remobilisation plans follow the guidance outlined in the Scottish Governments 'Coronavirus (COVID-19) Phase 3: Scotland's Route Map Update (30 July 2020)'. The announcement by the First Minister at the end of July included details on the following which enable our own mobilisation plans to progress.

- 4.2 These updates are:
- With effect from Saturday 1st August, shielding will be paused.
 - With effect from Monday 3rd August, relaxation of certain restrictions on some support groups and services e.g. Non-NHS drug and alcohol support groups can provide essential services following relevant guidance and with physical distancing.
 - With effect from Tuesday 11th August Schools - children to be able to return to school full time.
 - It is likely that non-essential offices and call centres can re-open on the 11th September, though this indicative date is subject to review and change. Working from home and working flexibly remain the default position for most workplaces.
- 4.3 During Phase 3 it is anticipated that a range of public services will continue to safely re-open and expand. The scaling up of health and social care is also expected during phase 3. All services will continue to remobilise in line with NHS remobilisation plans.
- 4.4 Public transport continues to scale up to full services during Phase 3 with a move to 1 metre physical distancing, subject to appropriate risk mitigations, releasing further capacity for people to safely travel to and from work.

5. Discussion

- 5.1 Our planning assumptions for how lockdown would ease have been closely aligned with the Scottish Government's position and route map. The May and July reports to Board both set out an anticipated service model for the June to September time period, while progress through the Scottish Government route map is determined by the extent to which Covid-19 is contained.
- 5.2 We have developed specific mobilisation plans for core service areas. Each mobilisation plan contains details of:
- Each stage of the remobilisation e.g. June-Sept, Oct-Dec and January onwards
 - The activities within each stage
 - The evaluation date for each stage
 - How we will communicate the details of each stage and transitions with customers
 - Personal Protective Equipment requirements and updated Operating Safety Manuals
- 5.3 These plans will continue to be refined, and will be adapted depending on the actual rate at which progress is made through the phases of the Scottish Government Route Map.
- 5.4 In this report we adopt the following terminology:
- Service Stage 1** – the period between the service model moving from a lockdown-based model into its next stage and approximately the end of September. The transition dates to Stage 2 for each service will be subject to detailed review and this timeline is therefore indicative at this stage. This broadly corresponds to Scottish Government phases 2 and 3.

Service Stage 2 – anticipated to be the period from September/October until at least December, covering phase 4.

- 5.5. We will update this at the next Board meeting in September, taking account of progress nationally and the impacts on our services, including our anticipated proposals to return to full service models in each area.

Housing and Environmental

Letting and void management

- 5.6. The vast majority of normal direct letting is currently suspended in line with the current restrictions. Our focus has been on offering all our void properties to Glasgow City Council to support the alleviation of homelessness. The assumed key stages of the mobilisation plan are:

Service Stage 1:

- Reintroduction of direct letting and a new protocol for accompanied physical viewings involving social distancing, PPE (gloves/masks) and post-viewing cleaning routines
- Delivering on our commitment to provide 300 homes for use as temporary accommodation
- Continue to deliver on our commitments made as part of the Housing First programme
- Work with GCC to match highest need customers, including management transfers, homeless and Housing First to properties
- First priority will be our existing 'Band A' customers including Management Transfers and Exceptional Housing Needs customers as we know their current accommodation is unsuitable
- We also anticipate being able to 'flat flip' i.e. properties with GCC where customers want temporary homes to be made permanent. So far we have considered 61 properties where flat flipping can occur and 15 are in progress.
- Continue to work on voids where resources and availability of parts allow
- Work on successions, assignments and mutual exchanges

Service Stage 2:

- Continue a matched letting service for highest need customers
- Return of some letting in line with allocations & voids remobilisation, homeless households prioritised
- MyHousing – hosted videos to replace accompanied viewings
- Matched letting service for Housing First customers
- Void works completed on longer-term voids & backlog cleared
- Commence limited adverts for specialist property types e.g. LivingWell, adapted, and new build properties

- 5.7 Since lockdown a total 392 homes have been passed to GCC for consideration for temporary lets to for homeless customers. With Housing First two customers has been matched to a property. A further sixteen customers are awaiting a date of entry. A huge amount of work has happened across both Wheatley 360 and GHA to ensure that tackle homelessness and secure rental income through lockdown.

Income

- 5.8. Maximising and protecting our income will remain a key focus as we progress through the Scottish Government route map out of crisis. In the next phases of this we will continue our successful remote working rent and income collection approaches. This will include:

Service Stage 1:

- Continue successful home/remote working rent and income collection approach. Housing Officer have brought in £866,041 in credit card payments alone since the start of lockdown.
- Review all arrangements/EPP (Expected Payment Plans)- shifting customers to direct debits or alternative payment arrangements if required
- Establishing Housing Officer Home visiting team. Visiting team targeting: Customers who have yet to apply rent increase or UC uprating – reviewing arrangements and non-engaging customers with increasing balances. Since early July this team have visited 1,511 customers who have not been previously engaging or have increasing balances. This is in addition to the 129,190 outbound calls which Housing Officers have made from home since the start of lockdown.
- Identifying customers who are furloughed and at risk of unemployment, offering support and guidance with assistance from WBOs (Welfare Benefits Officers). Since March 4,955 customer have reported that lockdown has hindered their ability to pay rent.
- Continue with referrals to GDRT (Group Debt Recovery Team)
- Utilising CSC (Customer Service Centre) for evening and weekend outbound calls
- Cease issuing PAR letters
- Create a new suite of letters more aligned with 'Talk to us' campaign, with a clear message on the obligation to pay and putting 'rent first'
- Introduce escalated telephone/video appointments with WBO or Locality Housing Director
- Working with our Communications team to prepare our winter rent campaign.

Service Stage 2:

- 5.9 Following the Scottish Government agreeing in principal the Homelessness and Rough Sleeping Action Group (“HARSAG”) recommendations, including the proposal to extend existing legislation to prevent evictions until March 2020 we have had to revise our assumptions.

These include:

- The six-month-notice period for Notice Of Proceedings and Eviction will end March 21
- Customers will know that their cases cannot be escalated to court prior to March 21
- Our new home visit team has been set up. Processes that were developed during phase 1 have been reviewed and we can now upscale our visit capacity.
- Courts will be back up and running (limited capacity)
- A proportion of our current of non- engagers will now have an arrangement in place, cleared their account or be receiving some kind of support to manage their tenancy and rent account which means escalation is not appropriate
- Patch HO / income team continue to work remotely / home
- Review and reset all escalation currently within the system
- Reset any granted Decree that will elapse within months
- Continue with referrals to GDRT
- Utilising CSC for evening & weekend calls
- Home visit team: Deliver new Arrears/PAR letters restricted to specific cases (non COVID related) with increasing balances
- Rent campaign – final preparation and kick off during the Autumn
- Secure messaging via MyGHA on-line accounts – including arrears letters/messaging

5.10 The close of Period 5 (end of July), UC arrears reduced by £7,144, their first ever reduction in UC arrears since the roll-out of UC commenced in 2018. GHA now has a total case load of 8,218 UC customers, an increase in their case load of just 44 customers in July. This was 160 new UC customers that came on since the end of July, the lowest increase in UC customers GHA have had since recording of this began, and 116 customers also had the UC tag removed. This pioneering UC tag enables us to track as to when customers come on or off UC providing a truly accurate picture of UC's impact.

Fire safety

5.11. Our Fire Safety Team have visited and inspected 106 MSF Blocks and checked they comply with all Fire Safety Regulations. All firefighting equipment including 'Dry Risers' have been inspected.

5.12. As lockdown begins to ease we anticipate moving through the following stages:

Service Stage 1:

- FSOs returned to CIP Fire Safety Team
- FSOs will undertake MSF Block Inspections in lieu of SFRS carrying them out . This has been completed on all 106 MSF sites across GHA. One emergency repair to a dry riser was identified and repaired within twenty minutes of issue being identified.
- Desk top review of existing FRAs for MSF Relevant Premises undertaken

- HO to identify customers who fit SFRS 'Very High Risk' criteria. This has involved visits to twenty-four vulnerable households to provide fire safety products and advice
- FSOs will conduct telephone consultations with Very High Risk customers including new Housing First customers and deliver bespoke fire safety/prevent products

Service Stage 2:

- FSOs will carry out vulnerable household visits (PPE/Social distancing if required)
- FSOs conduct high rise relevant premises Fire Risk Assessments
- FSOs will undertake high-rise block inspections in lieu of SFRS
- SFRS Home Fire Safety Visits remain suspended. To continue to provide this service we propose that we create our own version of the HFSV process. This would require Housing Officers identifying customers who are likely to be High Risk with the FSOs visiting (subject to lockdown restrictions), risk assessing and providing fire safety products and services
- We are currently completing the desk top review of existing MSF Relevant Premises FRAs. We will if approved commence the FRAs of relevant premises (concierge stations/offices etc.) within MSF sites ahead of schedule from 1st August 2020. Few if any issues are expected. These FRAs are a legislative requirement.
- SFRS will recommence MSF Block Inspections earlier than expected (August 2020). Our FSOs have completed their inspection of all 106 MSF sites ahead of schedule. New SFRS 'Operational Assurance Visits' will replace MSF Block Inspections from August

Anti-social behaviour ("ASB")

5.13 As part of our response to lockdown we implemented a centralised approach through which the ASB Team reviewed, recorded and responded to customers reporting any incidents of antisocial behaviour including those that would in normal operations be dealt with locally by Housing Officers. This approach worked well and involved the team calling customers, providing advice and guidance and recording details.

5.14 We recognise that responding to ASB is a priority for customers and are seeking to respond to this in the remobilisation plan. The key stages for resumption are:

Service Stage 1:

- CAT A investigations + 200 case backlog prioritised and investigated by ASBIP Team
- CAT B investigations return to GHA Housing Officer
- Patch and field HOs will investigate all Cat B ASB to a resolution (telephone investigations – visits by exception)
- CIP Police Intelligence Team available to assist with ASB investigations

Service Stage 2:

- Teams are able to visit witnesses and perpetrators in person whilst adhering to social distancing guidelines
- Incremental return of CIP Police Team

5.15 The following table sets out the number of ASB incident which both ASBIPs and Housing Officers have dealt with since the start of lockdown:

No. of new Incidents	Cat A	Cat B	Cat A: Covid	Cat B: Covid
2,710	214	1,935	2	559

Environmental maintenance services

5.16 Phase 1 of the Scottish government route map, which we are in at the time of writing, allows non-essential outdoor workplaces with physical distancing to resume once relevant guidance agreed. Our contact with the Scottish Government has confirmed that this includes aspects our environmental work such as grass cutting. Reflecting this and our approach to remobilisation more generally, our proposed approach to our environmental service will involve:

Service Stage 1:

- Continue to deliver services within Multi-Storey Flats
- Commence grass cutting & gardening services as well as arborist work
- Void Team would be in place
- Environmental staff continue to support EatWell & Emergency Fund requests
- Close cleaning progressively reintroduced
- Bulk uplifts to continue (these have been ongoing during lockdown stage)

Service Stage 2:

- Close Cleaning fully resumed

5.17 Since we restarted our Grass Cutting & Arborist Service on the 17th June the following has been achieved by the Environmental Service:

- 100% of areas have had at least one grass cut
- 35% of second cuts have now taken place
- A programme of Weed Spraying has commenced
- Arborists are working through a backlog of requests and have carried out 51 jobs so far

EatWell

5.18 Unlike the other services discussed here, our focus for EatWell will be on striking an appropriate balance between making sure we support our customers when they are most vulnerable, and transitioning the EatWell service to its primary focus on our most vulnerable customers.

Service Stage 1:

- Continue to receive referrals and deliver food parcels for those in need across our three main local authority areas (Glasgow, Edinburgh and Dumfries and Galloway), we would
- Introduce a supermarket voucher for new referrals (approximately £30 for single person)

Service Stage 2:

- Revise/update criteria for ensuring we continue to target those in greatest need
- Review the impact of the changes above including the impact on staff resources on food voucher option
- Reduce staff levels (following re-instatement of grass cutting/void work) and as staff move back to normal duties
- Continue to support referrals (at a significantly reduced level) across Group
- Formalise discussions with Fareshare on future 'community partner' status across Group

5.19 Since lockdown we have distributed 15,503 food parcels to GHA customers.

Repairs, investment and compliance

Repairs

5.20 In line with the slight easing of lockdown in phase 1 of the Scottish Government route map we have reassessed our repairs service which was operating on a 'Life and Limb' service. The restrictions intended as part of phases 2 and 3 of the route map for easing lockdown mean that a full service still cannot be resumed.

5.21 However, there was scope to extend the service beyond its previous restrictions to what we have termed 'Safety First Repairs'. This will include all emergency works and works that while not necessarily deemed essential are considered necessary to avoid significant inconvenience to the customer. Since the start of lockdown we have carried out 16,487 life & limb and Safety First repairs across GHA.

Service Stage 1

- We introduced the Safety First Repairs service at the start of July.

Service Stage 2:

- Full repairs service reintroduced

5.22 In stage 2 we will resume a full repairs service. A key element of the remobilisation plan is planning to mitigate the risk of a significant spike in demand from the resumption of a full service. This will be addressed in part by completing a large number of the more urgent backlog repairs during the Stage 1 period.

Investment and compliance work in existing homes

Service Stage 1:

5.23 Essential compliance activities such as gas servicing, lift maintenance and M&E work in multi storey flats has continued through lockdown. Our focus during the next phases of the Scottish Government's route map will be on clearing the backlog of expire CP12 gas safety certificates through high intensity contact from the call centre, refreshed customer communications, and where the customer is not engaging, reinstating our forced entry procedure.

Going forward we will look to embed the high intensity outbound calling as part of our business as usual gas process, given its success to date in reducing no-accesses.

Service Stage 2:

- 5.24 We intend restarting external investment works and cyclical maintenance from late September, assuming progress continues through the phases of easing lockdown. In advance of this, we are exploring the possibility of restarting some projects across our Group's operating footprint that were put on hold at lockdown, to build experience in ensuring necessary safe-working practices and to provide customers with confidence on our approach and continued commitment in this area. At this stage, non-essential internal capital investment works (e.g. new kitchens where these are being replaced on a life-cycle programme basis) are not anticipated to take place until the new calendar year.
- 5.25 We plan to survey customers who are due to have any internal works done prior to the end of the financial year, to assess their views on having tradespeople in their homes and identify any concerns arising. In doing so, we will explain the measures we will take to mitigate health and safety risks, such as how we will operate social distancing principles and the PPE that will be used. We anticipate repeating this survey exercise around December/January in respect of customers scheduled to have internal investment/compliance work done in 2021/22.
- 5.26 At present we only have 240 homes in GHA with an expired CP12. A huge amount of work is underway to ensure that we achieve 100% compliance. By Housing Officers working across teams we have more halved the number of expired CP12 certificates over July. The home visiting team of Housing Officers have been out in our communities and so far engaged with 86 households.

Back-office support services and governance

- 5.27 Our back-office support services will continue to be delivered through home working as present. Similarly, our governance approach will remain unchanged through Service Stage 1 to the end of September with virtual board meetings, reduced agendas and reduced board member numbers dialling in to allow easier management of conference calls/video calls. We will consider the potential for the October Board meeting to be face-to-face, subject to this being permitted by Scottish Government guidance.

Personal Protective Equipment ("PPE")

- 5.28. The service transitions above will require an increasing use of PPE. At present, we have sufficient supplies across the Group for the next 12-week period based on the anticipated Stage 1 service models of all remobilisation plans and we have robust supply lines. The confirmed availability is also a key element of the evaluation criteria for any service remobilisation progressing to Service Stage 2.

- 5.29. We have also made progress recently through the Scottish Government and we can now access additional supplies through an arrangement it has put in place with Lyreco. We have tested this arrangement and it worked well with next day delivery. In addition, as a contingency, we have placed orders so as we will have a further 25% stock beyond what we expect to need.

6. Key issues and conclusions

- 6.1. The plans set out in this report will be kept under review and adapted as necessary depending on progress through the phases in the Scottish Government Route-map. They will also be informed by the experience we gain from operating our interim service models. Prior to progressing to the next Stage, a detailed assessment and evaluation will take place and the Board will be updated on progress at its next meeting in September.

7. Value for money implications

- 7.1. The approach set out in this paper is designed to ensure we continue to deliver priority services for customers within government restrictions, focusing on keeping them and our staff safe. Customer feedback will form an important part of our assessments before moving to the next Stage service models.

8. Impact on financial projections

- 8.1. Our revised business plan is being presented to the Board for consideration at this meeting.

9. Legal, regulatory and charitable implications

- 9.1. The approach set out in this paper is based on the latest Scottish Government Framework and in particular '*Scotland's route map through and out of crisis*'. We will continue to refine our proposals as the detail of government advice develops including in light of progress through the identified phases. We continue to notify the Scottish Housing Regulator, as necessary, 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 mobilisation plans are heavily predicated on the mobilisation efforts of Glasgow City Council and City Building in relation to core services such as lettings, allocations, void works, compliance works and Safety First Repairs.

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.
- 12.2. Given the increased risk to BAME staff we will also undertake tailored risk assessments to ensure these staff are appropriately protected as part of the remobilisation.

13. Recommendations

- 13.1 The Board is asked to:
 - Note the contents of the report and that that a further update on our service models will be provided to the next meeting



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Customer satisfaction surveys 2020/21

Date of Meeting: 14 August 2020

1. Purpose

- 1.1. To seek the Board's agreement to the proposed approach to assessing customer satisfaction this year, in light of the impact of Covid-19.

2. Authorising context

- 2.1. The Scottish Housing Regulator requires that a survey of RSL tenants is carried out at least every three years. This is to assess tenants' views in relation to Scottish Social Housing Charter outcomes, for example on satisfaction with various aspects of a landlord's service. We typically carry out such surveys annually, in order to provide more regular insight into customer views, with the results being included in our Annual Return on the Charter ("ARC"). The ARC returns are subject to Board approval prior to submission.

3. Risk appetite and assessment

- 3.1. A full ARC-specification customer satisfaction survey is designed to gauge customer views in the context of normal operating conditions. There is a risk it may not therefore be appropriate in the context of Covid-19 and the significant disruption to our ability to deliver normal services. However, it is important we do seek customer feedback on how we have responded to the pandemic and how we have communicated, engaged and supported the people we work for across all of our activities. Otherwise, there is a risk that we may miss important lessons about how we respond in crisis situations.

4. Background

- 4.1. In a "normal" year, we would begin preparations for the RSL customer satisfaction survey process in August. A different approach is proposed this year, reflecting the unique circumstances of Covid-19, as set out below.

5. Discussion

- 5.1. It is proposed to carry out a specific survey of customers in order to assess how well we have responded to the pandemic in their eyes. This would be a much shorter and more focused survey than the ARC-specification model.

- 5.2. It will be designed to elicit more in-depth feedback that we can act on as necessary as we consider our approach to remobilisation in the coming months and delivering services in the context of continuing Covid restrictions.
- 5.3. We will commission an independent firm to carry out the survey Group-wide, and seek their input on a core set of questions that we develop, tailored for each part of the Group, including GHA. These will address issues such as:
- How well we have kept customers informed about our services and how Covid-19 has impacted these services
 - How customer experiences have changed as we have moved through different phases of the crisis
 - Which of our services were most important to customers and how did these change at different points?
 - How safe customers they felt when our staff were engaging face to face with them (use of PPE, distancing precautions, etc)
 - How did customers' digital skills change during the crisis
- 5.4. We would aim to carry out the survey across all parts of the Group around September/October, with an expectation that interviews will mainly be by telephone. The results will be reported back to the Board along with a summary of actions required.
- 5.5. The proposed approach will mean that the 2020/21 ARC return will contain the same customer satisfaction survey measures as those recently noted by the Board for the 2019/20 ARC return.

6. Key issues and conclusions

- 6.1. Understanding the views of our housing customers and People We Work For in care is central to how we design services. It will also help inform our thinking as we look to evolve our service models through the next phases of the pandemic.

7. Value for money implications

- 7.1. The results from the proposed survey this year will help inform our activities to ensure we continue to deliver value to customers while keeping them and our staff safe.

8. Impact on financial projections

- 8.1. No impacts.

9. Legal, regulatory and charitable implications

- 9.1. The impact on the ARC returns for 2020/21 for our RSLs is noted above.

10. Implementation and deployment

- 10.1. As noted above.

11. Partnership implications

- 11.1 The survey process will include all partner organisations within the Group and allow comparisons to be made.

12. Equalities impact

- 12.1. The survey will be designed in collaboration with the appointed independent survey firm, to capture input from a representative cross-section of customers.

13. Other resource implications

- 13.1. No further implications.

14. Recommendations

- 14.1 The Board is asked to:

- 1) Agree the proposed approach to gathering customer feedback for 2020/21
- 2) Agree that the 2019/20 formal ARC survey results will be reported in the 2020/21 returns to the Scottish Housing Regulator, as is permitted within the regulatory guidance



Report

To:- GHA Board

By:- Tom Barclay, Group Director of Property and Development

Approved by:- Martin Armstrong, Group Chief Executive

Subject:- Development update

Date of Meeting:- 14 August 2020

1. Purpose

1.1 To provide the Board with an overview of the group new build programme performance, including any programme highlights and/or exceptions.

2. Authorising Context

2.1 The Group Authorising Framework provides that each member of the Group is responsible for its own new build development programme.

2.2 The Board is responsible for scrutinising and approving its development programme on a 5-year rolling basis. The Board considers its development programme each February with updates provided at regular intervals throughout the year. The 5-year programme was approved by the Board in February 2020. Once approved, the Group Development Committee is responsible for scrutinising and approving each individual contract award.

2.3 This report enables the Board to consider and monitor the progress of the our new build development programme.

3. Risk Appetite and assessment

3.1 Our risk appetite in relation to new build is 'open', which is defined in relation to development options as "*Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward*".

3.2 The information provided in this report will reduce risk in respect of development given the Group's performance management framework and governance arrangements for development.

3.3 Risks on individual projects have been assessed and reported separately to the Group Development Committee at approval stage. A Risk Register is created for each development project to facilitate the management or mitigation of all identified risks, and this is re-assessed and mitigated as each project progresses.

4. Background

- 4.1 The growth programme of 2,800 affordable housing units agreed with the Scottish Government in 2014, and supported by Bond funding, is now fully committed for us, with projects either complete or on site.
- 4.2 Our future programme is now funded from grant provided directly by Glasgow City Council (“GCC”) through the Transfer of Management of Development Funding (“TMDF”) role, along with our own private borrowing.

5. Discussion

- 5.1 Commentary on the programme indicators to period 3, 30 June 2020, is provided below:

Indicators	Highlights & Exceptions
On site	We have 695 units on site, in 10 development projects.
Due on site	Since the last performance report two projects have started on site at Sighthill and Dovehill, a total of 230 units.
Budget versus Spend	Spend of £2.2m is some £11.4m or 84% below the profile of £13.6m. Project spend is significantly below budget throughout the programme as a result of covid-19 shutdown and the staged resumption of construction activity since June 2020, commentary on which is provided below.
Planned Completions	Completed projects since the last report include the 143 units at Gallowgate Phase 2 and Ibroxholm. Projects at Inglefield Street, Linkwood, Bellrock Street and Scaraway Street are all due to complete by the end of 2020, with first handovers commencing from July and August.
Engagement Status	We have 8 ‘High Engagement’ projects on site or due on site, rated according to either scale of project (above 70 units), or complex ground conditions such as demolition or contamination. All of these projects are progressing satisfactorily and will continue to be monitored regularly.

Covid-19

- 5.2 Construction activity on all active sites stopped in late March 2020 and resumed in stages from early June, in accordance with Scottish Government instruction. All of our construction sites are now back in operation, although production efficiency is still impacted by the physical distancing and other measures contractors require to follow. Productivity varies according to contractor, the physical constraints of sites and the stage in construction projects have reached. We are also aware of some supply chain disruption affecting the availability of materials including mortar, plasterboard and internal doors.

We are at an early stage in recovery, and therefore the long term effects of covid-19 measures on the new build programme remain to be fully determined.

6. Key Issues and Conclusions

- 6.1 Progress on the new build development programme has resumed on all sites. While the covid-19 related close down of sites affected the completion of units in late March, we achieved 392 completions against the 2019/20 Business Plan target of 413 completions. In 2020/21, completions are projected at 360 units and this has been reflected in the reforecast of the 2020/21 Business Plan.
- 6.2 Project reports seeking approval for the Hurlford Avenue project (70 units of mid-market rent housing) and Calton Village Phase 1 (123 units of mid-market housing) are planned to be presented to the Group Development Committee on 6 August 2020. Both projects featured in the five year programme approved by the Board in February 2020.

7. Value for money implications

- 7.1 Our ability to successfully deliver new housing helps strengthen the income streams in our business plan and supports our charitable objectives to address housing need by providing much needed homes for potential customers on our waiting lists.
- 7.2 Delivering value for money to our funders and stakeholders, including the Scottish Government and GCC is also important, in maintaining our position as a key delivery partner.
- 7.3 Developments are generally proceeding in line with Board approvals, and value for money assessments remain as presented in those papers.

8. Impact on financial projections

- 8.1 Delivery of the programme is reflected within the reforecast 2020/21 business plan financial projections previously presented to the Board. The programme reflected within these projections will be delivered within our business plan funding arrangements.

9. Legal, regulatory and charitable implications

- 9.1 The legal team assists with preparation of legal documents, including Building Contracts and Development Agreements, to safeguard our development operations, and in the preparation of documentation and due diligence associated with asset securitisation. External solicitors also support due diligence for the development programme where required.

10. Partnership Implications

- 10.1 The programme is discussed and agreed with grant funders at an early stage in the development process. We seek a Scheme Agreement with GCC for each project, and inclusion of our future projects within the City's Strategic Housing Investment Plan.

10.2 Consultation on individual projects takes place with local communities, asset management, housing management and Lowther Homes' colleagues.

11. Implementation and deployment

11.1 The delivery and performance management of the new build programme is led by the Group Development Team, under the Group Director of Property and Development.

12. Equalities Impact

12.1 Our developments are built to Housing for Varying Needs (HfvN) standard and continue to include housing to wheelchair standard, as a contribution towards the GCC's targets. Our new housing also meets the GCC's 'Glasgow Standard' for energy efficiency, amenity and living space.

13. Recommendations

13.1 The Board is asked to note the contents of the report.



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: 2019/20 Financial Statements

Date of Meeting: 14 August 2020

1. Purpose

1.1 The purpose of this report is to provide the Board with an overview of the 2019/20 audited financial statements.

2. Authorising Context

2.1 Under the terms of the Intra-Group Agreement between us and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances and the approval of the statutory financial statements.

2.2 This report provides the Board with the final statutory financial statements following the completion of the external audit by KPMG and a reconciliation of the final out-turn to Period 12 2019/20 management accounts.

2.3 The financial statements have been reviewed by the Wheatley Group Audit Committee and recommended for approval at its meeting which was held on 5 August 2020.

3. Risk appetite and assessment

3.1 Our agreed risk appetite for 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 have only limited potential for reward”.

4. Summary of year-end financial results

4.1 The financial statements are now complete and have been audited. The financial results for the year are summarised below. They reflect the requirements of the 2014 Statement of Recommended Practice (“SORP 2014”) for Social Housing Providers.

	Year ended 31.03.20 £'000	Year ended 31.03.19 £'000
Turnover	209,001	199,422
Operating Expenditure	(166,450)	(164,864)
Other income and gains – loss on investment properties	(9,272)	(9,221)
Operating Surplus	33,279	25,337
Gain on disposal of fixed assets	-	202
Finance costs	(44,587)	(41,742)
Movement in FV of financial instruments	549	(4,709)
Deficit for the year	(10,759)	(20,912)
Property revaluation – social housing properties	39,805	58,909
Property revaluation – office properties	121	511
Actuarial (loss)/gain in respect of pension schemes	3,109	(5,855)
Total comprehensive income for the year	32,276	32,653

- 4.2 The finance reports submitted to the Board during the year formed the basis of these financial statements, and were updated to include a number of year end statutory adjustments.

5. Adjustments from 31 March management accounts

- 5.1 The adjustments made between the 31 March management accounts and the final audited accounts are summarised below:

	Income & Expenditure £m	Net Assets £m
March management accounts	1.8	563.3
Revaluation of properties - Housing	39.8	39.8
Revaluation of properties - Offices	0.1	0.1
Revaluation of properties - Investment	(10.9)	(10.9)
Gain on transfer of pension scheme obligations	1.6	1.6
Actuarial valuation of pension schemes	(2.7)	(2.7)
Fair Value Adjustments	0.6	0.6
Depreciation	2.4	2.4
Other	(0.4)	(0.4)
GHA statutory accounts	32.3	593.8

- 5.2 Revaluation of Properties: Housing, office and investment properties have all been revalued at the year-end by Jones Lang Lasalle (“JLL”). Our social housing properties increased in value by £39.8m and our office properties by £0.1m. Investment properties which are mid-market rent homes are initially recognised on the balance sheet at cost of construction, then are written down to tenanted market value on completion. The write-down is, however, offset by the grant received to subsidise their construction, which is also recognised through the income statement. The write down for 2019/20 is £10.9m.

- 5.3 Gain on transfer of pension scheme obligations: The employment contracts of Barony staff who were active members of Lothian Pension Fund (“LPF”) were transferred to us on 31 January 2020. We are able to offer membership of Strathclyde Pension Fund (“SPF”) to these staff. As part of this transfer, all pension assets and obligations attributable to Barony held in LPF were transferred to SPF and an accounting gain was recognised on the difference between the assets and liabilities transferred into the scheme.
- 5.4 Actuarial valuation of pension schemes: The actuarial valuation for the Strathclyde Pension Fund defined benefit pension scheme was received post year end. The asset recognised in the accounts reduced by £2.7m reported in the Statement of Comprehensive Income as:
- employee service cost of £6.1m
 - interest income of £0.3m
 - actuarial gain of £3.1m
- The pension scheme remains in a strong position reporting an asset of £13.6m on the Statement of Financial Position.
- 5.4 Fair value adjustments: The Housing SORP 2014 requires certain financial instruments to be fair valued every year. These items are not cash costs in year but rather reflect various revaluation movements. The adjustment in the 2019/20 financial statements relates to the Scottish Government Contingent Efficiencies Grant and is due to the increase in the carrying value of this £100m interest free loan received in 2003; currently this is carried on the balance sheet at £36.7m and this figure will steadily increase every year to £100m by 2040 when the full loan capital is due for repayment.
- 5.5 Depreciation adjustment: as part of our year end work depreciation charges were calculated at individual component level. This resulted in a reduction on the operating cost reported of £2.4m.
- 5.6 Other: These adjustments are mainly for year-end accruals as a result of new information becoming available after closing of the management accounts.

6. Audit summary

- 6.1 The external auditors, KPMG, have completed their audit of the financial statements and have issued an unqualified audit opinion.
- 6.2 No audit adjustments were identified during the course of the audit.
- 6.3 As a standard part of their audit process, and in line with previous years, KPMG require the Board of each organisation in the Wheatley Group to sign a “letter of representation” in which the Board confirms certain matters in terms of disclosure and record-keeping. As in previous years, a letter from the Chief Executive has been provided to each Board to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- 6.4 The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis. The assessment that the Association continues in business is based on the preparation and approval of the Association’s 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income and the assessment of the availability of funding provided to us through the RSL borrower relationship with WFL1.

6.5 The accounts will be signed following the approval of the Group accounts at the Group Board meeting on 26 August 2020.

7. Key issues and conclusions

7.1 Our balance sheet continues to strengthen, with the annual valuation of our social housing properties returning a £39.8m increase in the year - demonstrating the value of our investment programme.

7.2 Operating surplus from core social housing activities increased from £42.1m to £49.3m, as we work towards our objective to cover interest payments and capital expenditure on our properties with this surplus. Efficiency savings were a key factor in this improvement, with our management costs per unit reducing from £1,251 to £1,212.

8. Value for Money implications

8.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. We performed favourably to budget in 2019/20 ensuring the achievement of these targets.

9. Impact on financial projections

9.1 The business plan will be updated to reflect the 2019/20 statutory results.

10. Legal, regulatory and charitable implications

10.1 No implications.

11. Equalities impact

11.1 Not applicable.

12. Recommendation

12.1 The Board is asked to:

- 1) Approve the 2019/20 financial statements;
- 2) Confirm the preparation of the financial statements using the going concern basis;
- 3) Delegate authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
- 4) Approve the letter of representation from the auditors, and note the related letter of comfort from the Chief Executive.

LIST OF APPENDICES

1.Financial statements for the year ending 31 March 2020 [redacted available here https://www.gha.org.uk/_data/assets/pdf_file/0017/115712/GHA-Annual-report-and-financial-statements-2019-2020.pdf]

2.Letter of representation [redacted]

3.Letter of comfort [redacted]



Report

To: GHA Board

By: Ranald Brown, Director of Assurance

Subject: Annual Internal Audit Report and Assurance Statement 2019/20

Date of Meeting: 14 August 2020

1. Purpose

1.1 To provide the Board with the Annual Internal Audit Report and Assurance Statement for noting, following assurance work completed and reported during financial year 2019/20. As this paper supports the 2019/20 year-end financial statements, we present this paper at the Board meeting as part of the overall Annual Accounts.

2. Authorising context

2.1 Under the Group Authorising Framework, the Board is responsible for managing and monitoring our own compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.

2.2 The Group Audit Committee is responsible for monitoring the Group's assurance activities. The Group Audit Committee has responsibility for instructing and keeping under review the long-term plan for internal audit within the Group, to approve the annual Group Assurance Plan and monitor results as presented in the annual internal audit report and assurance statement. The 2019/20 Annual Internal Audit Report and Assurance Statement was approved by the Group Audit Committee on 6 May 2020.

3. Risk appetite and assessment

3.1 There is no specific risk appetite for Internal Audit, however, the agreed risk appetite in relation to Governance is deemed "cautious" meaning that tolerance for risk taking is limited to events where there is little chance of any significant repercussion should there be a failure.

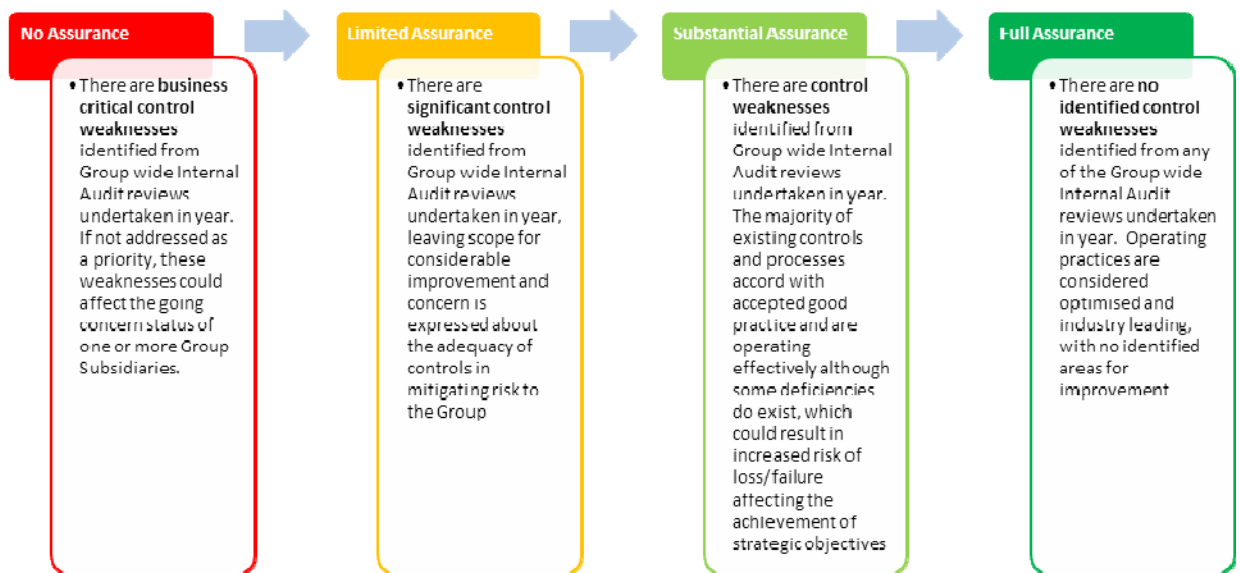
4. Background

4.1 The 2019/20 Annual Assurance Plan ("the Plan"), as approved by the Group Audit Committee on 13 February 2019, set out the Assurance services to be provided across the Wheatley Housing Group ("the Group"). The Group's established position is that it only operates Committees at Group level. The Group Audit Committee's role and responsibilities are contained within its Terms of Reference. **Annex 1** sets out the core areas and further explanation of the respective roles and responsibilities of the Group Audit Committee and partner Boards.

- 4.2 The Plan is set in order to provide assurance on systems of internal control that are both Group-wide and spartner specific. Progress against the Plan was reported to the Group Audit Committee throughout the 2019/20 financial year. Our findings have been reported to the Group Audit Committee and to the Board where relevant.
- 4.3 In line with good practice, Internal Audit provides the Group Audit Committee with an Annual Assurance Statement, as a result of completion of the Plan alongside any other Assurance work completed (e.g. Business Assurance inspections, continuous auditing of data). The Annual Assurance Statement is then reported to each partner Board alongside the annual accounts. The Statement on Internal Financial Control included within the statutory accounts sets out our conclusions.

5. Group Internal Audit Report and Assurance Statement

- 5.1 A copy of the approved Annual Report and Opinion has been included at **Appendix 2**. The table below shows the different types of Internal Audit Opinion which may be given:



6. Annual Internal Audit opinion

- 6.1 Following completion of our approved Internal Audit Plan, we can confirm that sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2019/20. In giving this opinion, it should be noted that assurance can never be absolute.
- 6.2 During the delivery of our Internal Audit Plan, we identified no critical weaknesses in the governance, risk management, or internal control environments which would put the achievement of partner or Group strategic objectives at risk. Recommendations were raised during the year and management have acted to address these and strengthen the control environment. In addition, we gave a mid-year Assurance update to both Partner and Group Boards to highlight relevant Group and Partner specific audit findings.

6.3 Based on our Group wide work undertaken during 2019/20 there continues to be a **substantial level of assurance** that there is a sound system of internal control, designed to support achievement of relevant organisational objectives. However, some weaknesses in the design and consistent application of controls do exist.

6.4 Due to the Covid-19 pandemic, in March 2020 the Group followed UK Government advice and implemented virtual working arrangements while moving to an emergency service delivery model. The opinion expressed in this report applies to the period before the emergency service delivery model was implemented.

(See **Appendix 2** within the Assurance Statement for Internal Audit Opinion Definitions).

7. Value for money implications

7.1 The Group has a Value for Money (VFM) Framework in place and partner Boards and the Group Board have set their risk appetites in consideration of this.

7.2 Our risk based assurance approach is designed to consider the adequacy and effectiveness of operational activity and VFM is always a standard consideration when assessing control maturity.

8. Impact on financial projections

8.1 The financial implications of individual audit findings have been considered as part of reaching the overall Internal Audit opinion.

8.2 An impact on surplus arises if audit findings and recommendations are not implemented to a sufficient extent to mitigate risks (particularly those with a financial impact). It is the responsibility of the Wheatley Group's management to monitor and review the status of agreed audit findings on a regular basis to ensure that mitigating controls are appropriate to manage the impact on operating surplus.

9. Legal, regulatory and charitable implications

9.1 We have an Internal Audit function in line with the requirements of the Scottish Housing Regulator's revised Financial Regulations. The Group's Internal Audit function complies with the Institute of Internal Audit's (IIA) standards in relation to Internal Audit and is regularly quality assessed against IIA's standards.

10. Partnership implications

10.1 In accordance with the City Building Glasgow (CBG) Assurance Plan, the Glasgow City Council (GCC) Chief Internal Auditor is leading for elements of the controls work. In accordance with the agreed joint Internal Audit approach, WHG Internal Audit has full access to working papers. We have been provided with an understanding of the GCC Internal Audit Team and their audit approach. We were provided with a high level overview of CBG Internal Audit files during 2019/20 which demonstrated the audit approach used to reach the audit conclusions.

- 10.2 It is the responsibility of GCC (as lead Internal Auditors) to provide the annual Internal Audit opinion for CBG. In accordance with the agreed CBG Internal Audit approach, we have placed reliance on work undertaken by the GCC Internal Audit team (in terms of the strength of CBG's control environment) in determining the overall Group Internal Audit opinion.
- 10.3 We have placed reliance on the internal audit work performed by the Dumfries and Galloway Housing Partnership Internal Auditors (Beever & Struthers) during the year to 31 March 2020. Responsibility for the internal audit of this partner passed to the Group's Director of Assurance on 1 April 2020.

11. Implementation and deployment

- 11.1 The deployment of Internal Audit reviews is monitored and reported by the Head of Assurance and the Director of Assurance.

12. Equalities impact

- 12.1 No equalities impact arising from this report.

13. Recommendation

- 13.1 The Board is asked to note the contents of this report along with the overall Annual Internal Audit opinion detailed in Section 6 above.

List of Appendices

Appendix 1 – Respective roles and responsibilities of Group Audit Committee and Partner Boards

Appendix 2 - Annual Internal Audit Report and Assurance Statement 2019/20

Appendix 1 – Respective roles and responsibilities of Group Audit Committee and partner Boards

Core area	Group Audit Committee roles and responsibilities	Partner Board roles and responsibilities
Internal Audit	<ul style="list-style-type: none"> ▪ Approve annual assurance plan (all planned Internal Audit work for the year). 	<ul style="list-style-type: none"> ▪ Note the Annual Plan and identify any potential areas to recommend to the Group Audit Committee for inclusion.
	<ul style="list-style-type: none"> ▪ Consider feedback from Group wide audits and inspections and monitor progress in implementing recommendations. 	<ul style="list-style-type: none"> ▪ Note feedback from Partner specific audits and inspections and monitor progress in implementing recommendations. ▪ Receive updates on Group-wide audits as part of bi-annual assurance update.
	<ul style="list-style-type: none"> ▪ Consider annual report and opinion for Group. 	<ul style="list-style-type: none"> ▪ Note Group annual report and opinion.
	<ul style="list-style-type: none"> ▪ Monitor effectiveness of Internal Audit. 	<ul style="list-style-type: none"> ▪ Provide feedback, as appropriate, on Internal Audit to Group Audit Committee.
Risk, Fraud and Whistleblowing	<ul style="list-style-type: none"> ▪ Review and make recommendations to the Group Board on the Group’s risk management framework and Corporate risk register (Subsidiaries and Joint Ventures). ▪ Group Audit Committee approves ‘Fraud, Corruption and Bribery’ and ‘Whistleblowing’ policies. 	<ul style="list-style-type: none"> ▪ Approve Subsidiaries risk appetite level and risk register. ▪ Partner Boards to monitor compliance with ‘Fraud, Corruption and Bribery’ and ‘Whistleblowing’ policies.
Financial Statements	<ul style="list-style-type: none"> ▪ Review the Group’s accounting policies. ▪ Review financial statements of all group members. 	<ul style="list-style-type: none"> ▪ Approve individual financial statements and letters of representation.
External Audit	<ul style="list-style-type: none"> ▪ Approve annual audit plan. ▪ Recommend appointment/re-appointment of external auditors to Group Board. ▪ Set policy for award of non-audit work to external auditors. 	<ul style="list-style-type: none"> ▪ As required under individual constitution.
Policy	<ul style="list-style-type: none"> ▪ Recommend to Group Board and/or approve assurance related polices. 	<ul style="list-style-type: none"> ▪ Provide feedback on and implement Group assurance policies.



Wheatley Housing Group Internal Audit Annual Report and Opinion 2019/20

*(Approved by Audit Committee :
6 May 2020)*

Internal Audit Annual Report 2019/20

Contents

1. Introduction
 2. Annual Internal Audit Opinion
 3. Summary of Findings
 4. Summary of other IA work
 5. Follow Up of Audit Actions
 6. Performance of Internal Audit Team
- App 1 - Limitations and Responsibilities
App 2 - Assurance Opinion Definitions
App 3 - Risk Rating Definitions

Group Assurance Mission Statement

To enhance and protect the Wheatley Group by providing independent, risk based and objective, assurance, advice and insight

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

Section 3 – Definition of Auditing; Chartered Institute of Internal Auditors’ International Professional Practices Framework

1. Introduction

The purpose of Internal Audit, as a function of the Assurance Team, is to provide independent, objective assurance and advice, which adds value and assists the Group in achieving its objectives in an effective and efficient manner. It provides appraisal of the Group’s internal control system and provides Accountable Officers and Board Members with continued assurance that the Group’s governance, risk management and internal control arrangements are adequate and effective.

Our professional responsibilities as Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct (including Code of Ethics) promoted by the Chartered Institute of Internal Auditors.

The purpose of this report is to provide our view on the adequacy and effectiveness of the Wheatley Group’s (‘the Group’) system of governance, risk management and internal control, as relevant to our 2019/20 Annual Assurance Plan. The 2019/20 Annual Assurance Plan was approved by the Group Audit Committee on 13 February 2019 and progress against this plan has been reported to the Group Audit Committee throughout the financial year. Our detailed findings from specific reviews have been reported to Management during the year, with a summary of these findings reported to the Group Audit Committee throughout 2019/20. Reporting to Subsidiary Boards and the Group Board has taken place where appropriate.

This Annual Report summarises the Internal Audit activity and therefore does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to Management and the Group Audit Committee during the course of the year.

Internal Audit Annual Report 2019/20

2. Annual Internal Audit Opinion

Scope

In line with the International Standards for the Professional Practice of Internal Auditing (“the Standards”), Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Annual Internal Audit Opinion, as a result of the work completed during 2019/20.

Our opinion is subject to the inherent limitations of Internal Audit (covering both the control environment and the assurance over controls) as set out in Appendix 1 (Limitations and Responsibilities).

In arriving at our Annual Internal Audit Opinion, we have taken the following matters into account:

- the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2020;
- in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work done by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- we have placed reliance on the internal audit work performed by the Dumfries and Galloway Housing Partnership Internal Auditors (Beever & Struthers) during the year to 31 March 2020;
- whether or not any Critical recommendations have been made, and the resulting Management action;
- the effects of any material changes in the Group’s objectives, activities or regulatory environment; and
- whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

Annual Internal Audit Opinion

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2019/20. In giving this opinion, it should be noted that assurance can never be absolute.

During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk. As reported to the Audit Committee, Management has acted promptly to address the findings we reported during the year and thereby strengthen the controls in place. Implementing agreed actions is a priority and progress is regularly reported to the Directorate Management Teams, Executive Team, Subsidiary Boards, City Building Glasgow, Group Board and the Group Audit Committee.

*Based on our Group-wide work undertaken in 2019/20 a **substantial level of assurance** can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives. However, some weaknesses in the design and or consistent application of controls exist (See **Appendix 2** for Assurance Opinion Definitions). Management has agreed to the improvements to the control environment and the progress of implementing these additional controls will be reported to the Group Audit Committee.*

Due to the Covid-19 pandemic, in March 2020 the Group followed UK Government advice and implemented virtual working arrangements while moving to an emergency service delivery model. The opinion expressed in this report applies to the period before the emergency service delivery model was implemented.

Annual Internal Audit Plan 2020/21

3. Summary of Findings

We have completed the following audits within the 2019/20 Annual Plan, the results of which are shown below. We did not identify any critical internal control weaknesses which would require to be reported as part of the Statement of Internal Controls within the Group Financial Statements. Definitions of the report classifications and audit finding ratings are set out in **Appendix 3**.

Assurance Activity	Entities covered	Report Classifications	Number of findings per rating			
			Critical	Important	Moderate	Minor
RSM audit of Performance Management and Reporting		Minor	-	-	2	-
Governance – Annual Assurance Statement		Minor	-	-	-	2
Risk Management		Moderate	-	-	2	3
Housing: Service Innovation and Improvement		Moderate	-	-	3	4
Care: Service Innovation and Improvement		Minor	-	-	-	7
Core Financial Systems-Budget Management		Minor	-	-	1	2
Joint Venture Partnership Working		Minor	-	-	1	1
Project Management Methodology		Minor	-	-	2	-
Talent Management		Minor	-	-	1	2
Business Planning		Minor	-	-	-	2
External Stakeholder Engagement		Minor	-	-	-	2
Universal Credit Management		Minor	-	-	1	2
Dumfries and Galloway Housing Partnership		Moderate	-	-	3	3

Group (inc W Solutions)	GHA	Cube	DC	WLHP	Loretto Housing
Loretto Care	Barony	Commercial	W. Foundation	DGHP	CBG

Internal Audit Annual Report 2019/20

4. Summary of other Internal Audit Work

In addition to the 14 audits shown on the previous page, the Internal Audit team has completed work in the following areas, as part of the 2019/20 Internal Audit Plan.

1. We completed the following reviews:

- MyHousing post-implementation review
- Benefits realisation
- Internal stakeholder engagement

The findings of these three reviews were reported in Audit Visit Memo format, with the actions arising reported as part of the Strategic Project Management audit.

2. We completed our annual service evaluations for RSLs and Care. The results were shared with management, with suggested areas for development and further investigation of the themes identified as a result of our analysis.
3. We undertook a two-stage validation of management's self-assessment of implementation of actions arising in a Care Inspectorate report. This confirmed that there was evidence in place to support management's assessment of all actions as complete.
4. We worked with an external provider to facilitate a Group-wide Digital Maturity Assessment. The Group's maturity was assessed as "Level 2-Digital Beginner" and a 2025 target digital maturity score of "Level 4 – Digitally Progressive" was set.

5. We completed an advisory review of Wheatley Solutions contribution to the Group's new Performance Framework, to support development of the Wheatley Solutions Performance Framework. The review assessed the level of direct and indirect involvement Wheatley Solutions teams have in the delivery of Strategic KPIs and Strategic Projects.

6. We monitored the development of the Group Repairs Performance Framework and provided assurance on completed KPIs in stages through the year. We reported our findings in Audit Visit Memo format, highlighting areas where management could develop controls to protect the completeness and accuracy of the data reported.

7. We rolled out use of IDEA data analysis software to:
- enable more efficient and effective testing of controls during audits, and
 - develop enhanced exception reporting for use by management as part of their controls.

Internal Audit Annual Report 2019/20

5. Follow Up of Audit Actions

The Internal Audit team follows up internal audit actions each month, reporting on progress to Departmental Management Team (DMT) meetings and Executive Team meetings. This includes validating the updates provided by management by:

- reviewing the action updates provided by Management,
- obtaining evidence that actions have been completed as described, and
- assessing the effectiveness of actions taken to address the findings of our audits.

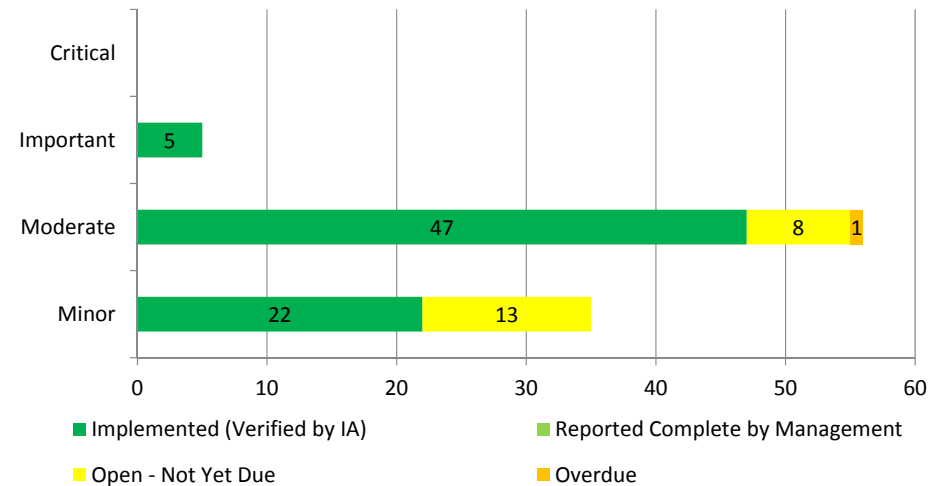
The following table provides a summary of follow up activity during 2019/20:

As at 31 March 2019	2019/20 Actions
Actions brought forward (no. overdue shown in brackets)	15 (1)
New actions added during year	81
Total actions followed up	96
Actions implemented during year	74
Actions carried forward (no. overdue shown in brackets)	22 (1)

We have verified the completion status of all 76 audit actions closed by Management during 2019/20. The following chart shows the status of all actions at 29 February 2020, split by the risk rating of the original finding.

One Moderate action remains overdue, which relates to the development of a revised Customer Service Centre performance framework. The Group Audit Committee has received regular updates on the progress towards completion of this action.

Action Status by Rating



Internal Audit Annual Report 2019/20

6. Internal Audit Performance

The Assurance Team is responsible for delivering the Group's Internal Audit Service through the provision of independent, objective assurance and advice which adds value and drives improvement across the Group and its Subsidiaries. The high performance of the team is ensured through the following measures

Internal Audit compliance with professional standards

We employ a risk-based approach to determine the audit needs of the Group at the start of each year and use a risk-based methodology to plan and conduct our work. All Internal Audit activity is performed in line with the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct (including Code of Ethics) promoted by the Chartered Institute of Internal Auditors. All Assurance Staff have confirmed their independence in year.

Conflicts of Interest

Each member of the Internal Audit team is required to confirm their independence annually. Independence Statements were confirmed by each team member in August 2019 and the exercise will be repeated in August 2020.

The Internal Audit team is led by the Director of Assurance, who reports directly to the Group Chief Executive and meets regularly with the Chair of the Group Audit Committee. The Director of Assurance has other operational responsibilities. Consequently, the Group Audit Committee assesses the controls in place to maintain the Director's independence on an annual basis. The EQA process reported in February 2019 included consideration of the Group's arrangements for confirmation of the Director of Assurance's independence and found them to be generally conformant with the requirements of the standards.

There have been no conflicts of interest during the year which have impacted on our independence or our ability to report our findings.

The table below sets out the Internal Audit team's performance against its agreed KPIs for 2019/20:

KPI	Target	Status
Overall Customer Satisfaction Survey Rating	Average feedback score of 8 out of 10	Green
Audits are delivered in line with agreed timescales	100% of audits	Green
Annual Plan agreed before start of financial year to which it relates	At February Group Audit Committee	Green
Annual Report issued in line with consideration of Annual Accounts	At August Group Audit Committee	Green
Annual Plan completed in line with agreed timescale and budget (<i>Fire Risk Management Arrangements Review - fieldwork was underway at time of COVID19 and therefore unable to complete review. This be completed on return to work.</i>)	100% of audits	Amber
Percentage of time utilised on Internal Audit Plan delivery (based on 200 days)	100% utilisation	Green

Key:

Red	More than 15% away from target
Amber	Within 15% of target
Green	Target met / on track for year

Internal Audit Annual Report 2019/20

7. Internal Audit Quality Assurance

In order to ensure the quality of the work we perform, we have a programme of quality assurance measures in place which include:

- Supervision of staff conducting audit work;
- Review of working papers, audit files and reports by the Assurance Manager and the Director of Assurance;
- The use of satisfaction surveys and feedback for Internal Audits;
- Annual and on-going appraisal of Assurance staff through the My Contribution tool, linking into staff personal development and training plans;
- Sector specific training for staff alongside technical training such as attendance at Institute of Internal Auditors workshops, in-house Internal Audit Training and Financial Reporting Standards updates;
- The maintenance of an Internal Audit Manual and Charter; and
- External Quality Assessments undertaken every 3 years.

In years where an External Quality Assessment is not completed, the team completes a self-assessment against the International Internal Auditing Standards.

Internal Quality Assessment Results

The 2019/20 self-assessment concluded that the Internal Audit team continues to be “**Generally Conformant**” with the standards (the highest available rating).

Each year, our review against the standards identifies areas in which we can continue to improve our service. In 2019/20, we have completed the following actions from our Improvement Action Log:

- The Assurance Map and Universe has been revised and refreshed.
- We introduced bi-annual meetings with all senior managers to update them on the work of Internal Audit team. These sessions include discussion to understand management risks, concerns and opportunities, which facilitates our Agile, risk-based internal audit approach.
- We have refreshed the Internal Audit intranet pages and worked with Care managers to deliver training sessions that provide staff with information and learning about Risks, Controls and the role of Internal Audit.
- We have redesigned our Customer Satisfaction Survey and used this to gather feedback on the Internal Audit service.

Internal Audit Annual Report 2019/20

Appendix 1: Limitations and responsibilities

Limitations Inherent to the Internal Auditor's Work

We have prepared the Internal Audit Annual Report and undertaken the agreed programme of work as set out in the Annual Assurance Plan, subject to the limitations outlined below.

Opinion

The Annual Internal Audit Statement is based solely on the work undertaken as part of the agreed Annual Assurance Plan. The work addressed the control objectives agreed for each individual assignment as set out in our individual Terms of Reference. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of the individual review, or were not brought to our attention. Our audit plan is based on risk to capture the higher risk areas within the Group. As a consequence, Management and the Group Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

Internal Control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Responsibilities of Management and Internal Audit

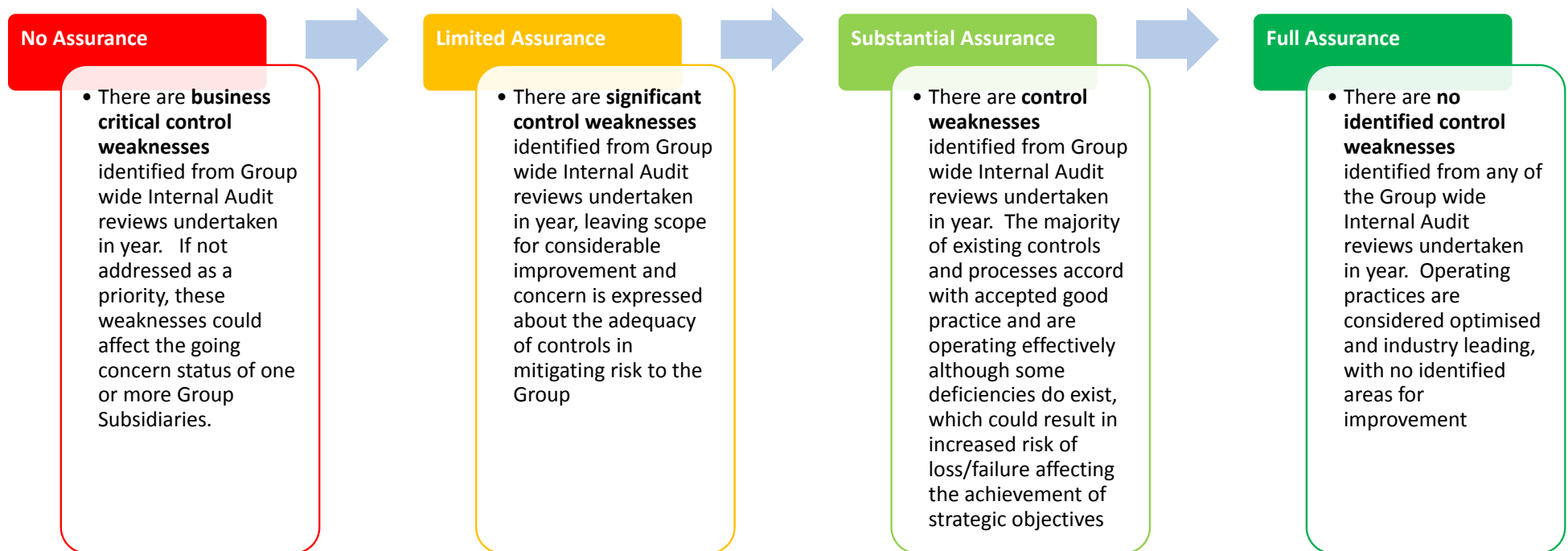
It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation of these systems.

Internal Audit endeavour to plan work so that we have a reasonable expectation of detecting significant control weaknesses and if detected, we shall carry out additional work directed towards the identification of consequent fraud or other irregularities. Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as Internal Auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Internal Audit Annual Report 2019/20

Appendix 2: Assurance Opinion Definitions

The table below details the different types of Internal Audit opinion which may be given:



Internal Audit Annual Report 2019/20

Appendix 3: Risk Rating Definitions The following definitions are intended to be used a guide to describe areas which derive the risk rating to be applied to an audit finding and overall report rating. The Director of Assurances professional judgement will be the ultimate basis for the report rating:

Report Classification:

Each report is assigned a classification based on the sum of the ratings of individual findings within the report:

Critical	Important	Moderate	Minor
•40+ points	•26 – 39 points	•8 – 25 points	•7 points or less

Control Objective Classification:

Each control objective is assigned a classification based on an assessment of the impact of individual findings within the report, as follows:

Red	<ul style="list-style-type: none"> Control objective not achieved. Control weaknesses identified would have a significant and immediate impact on the risks to achievement of the organisation's objectives
Amber	<ul style="list-style-type: none"> Control objective not achieved. Control weaknesses identified would have a significant impact on the risks to achievement of the organisation's objectives
Yellow	<ul style="list-style-type: none"> Control objective achieved. Control weaknesses identified would have some impact on the risks to the achievement of the organisation's objectives
Green	<ul style="list-style-type: none"> Control objective achieved. Any control weaknesses identified would have limited impact on the risks to the achievement of the organisation's objectives

Findings ratings:

Each finding within the report is assigned a priority rating, based on the level of risk associated with the identified control weakness:

Critical	40 Points	<ul style="list-style-type: none"> A report where a fundamental business critical control weakness has been identified. Failure to resolve any such findings immediately could result in loss of a business critical system that would have significant adverse impact to the organisation
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Important	10 points	<ul style="list-style-type: none"> Control weakness that has a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to the efficient and effective use of resources; the safeguarding of assets; the preparation of reliable financial and operational information and compliance with laws and regulations.
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Moderate	3 points	<ul style="list-style-type: none"> Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, while high impact for the system, function or process under review it does not have a significant impact on the achievement of the overall organisation's objectives.
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Minor	1 point	<ul style="list-style-type: none"> Control weakness that does not impact upon the achievement of key system, function or process objectives. However, implementation of the recommendation would improve overall control and is in line with good practice.
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Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Finance Report

Date of meeting: 14 August 2020

1. Purpose

The purpose of this report is to provide the GHA Board with an overview of the finance report for the period to 30 June 2020; including the latest forecast for 2020/21.

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between us and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the 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 June 2020

- 4.1 GHA has reported a statutory deficit of £1,001k for the period to 30 June 2020, which is £721k favourable to budget. Grant income of £5,730k was included in the budget to date, however no income has been recognised following the closure of construction sites in March. Excluding grant income, the underlying statutory result is £6,451k favourable to budget with all expenditure lines reporting favourable variance 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 £45,081k is reported for June, £105k adverse to budget. Void losses are £86k higher than budget. The letting of empty properties was on hold during the earlier months of the year but has recommenced in June. In addition, we are continuing to provide lets to Glasgow City Council to assist with homelessness. Rental incomes includes the impact of delays in new build completions for properties expected to complete from late March 2020 following the instruction by Scottish Government to close all construction sites on 23 March.
- No grant income has been recognised in first three months of the year, with the 25 units budgeted to complete at Auchinlea, 19 units at Kennishead and 40 units at Linkwood all delayed due to the suspension of work on construction sites. Following the relaxation of the restrictions on development sites, eight properties have been completed at Linkwood in July with the balance due for completion in August.
- Operating expenditure is £5,760k favourable to budget with all cost lines reporting lower than budgeted spend in period 3. Employee costs are £1,706k favourable to budget due to claims made under the HMRC Job Retention Scheme. The repairs service continued to be delivered on a “life and limb” only basis during June, leaving spend £2,720k favourable to budget.

4.2 Net capital expenditure of £8,172k was £15,220k 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 £7,704k lower than budget, driven by the delay to starting new works during the lockdown. Spend of £4,545k includes costs for boiler and cladding repairs.
- New build spend is £11,426k lower as a result of the closure of construction sites from 23 March. Spend in the month relates to site certificates and professional fees incurred to date.

5. Q1 2020/21 Forecast

5.1 The forecast operating surplus for the full year is expected to be £53,904k, £5,184k lower than budget, mainly due to lower levels of grant income on completion of new build units recognised in the 2020/21 financial year. This is offset by lower staff and repairs costs. In the updated financial projections an additional provision has been made for ER/VR as part of the inclusion of additional business efficiencies and this has been reflected in the forecast. Statutory surplus is forecast at £6,340k, which is £3,195k adverse to budget. Excluding the impact of the lower level of grant income recognised, underlying statutory surplus is £4,985k favourable to budget.

The forecast reflects the following key changes:

- Grant income for the year is forecast at £26,079k, a reduction of £8,180k from budget, with 360 units now expected to be completed in the year compared to 478 units budgeted.

- Net rental income has been revised to reflect the delayed handover of properties budgeted to be completed in late March now expected to become available from July onwards. The change to the timing of property completions reduces rental income by £720k.
- Employee costs for the year to June include the claims made under HMRC's job retention scheme, with staff costs being £1,706k lower to date. The forecast assumes this reduction in costs from claims received will continue until the scheme closes in October, resulting in revised forecast employee costs of £43,545k, a reduction of £2,604k to budget.
- An additional provision has been made for ER/VR of £2,317k in line with the updated financial projections, as part of the inclusion of additional business efficiencies in the projections for future years.
- Repairs and maintenance is expected to be lower than budget as a result of the work undertaken under the "life and limb" basis to date and the move through increasing the scope of works over the remaining months of the year. The overall reduction to repairs spend included in the forecast is £2,655k taking spend forecast to £24,856k for the year.
- The core investment is forecasting spend £11,888k lower than budget based on the revised programme for the year. New build spend is expected to be £13,200k lower than budget, and is based on the reprofiled development plan with work starting to recommencing on sites from July, with budgeted costs deferring into future years. The original budget assumed 478 units would be completed in 2020/21, this has now been revised to 360 units with 169 units in total across Baillieston, Sighthill and Watson Street now forecast to complete in 2021/22, with 51 additional units across Linkwood, Auchinlea and Cranhill brought into this financial year delayed from March 2020.

6. Value for Money implications

- 6.1 Our services since Covid-19 began have been designed to deliver value for tenants' rent while ensuring our customers and staff remain safe.

7. Impact on financial projections

- 7.1 The financial projections separately on the agenda incorporates the impact of the figures in this paper.

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 note the management accounts for the period to 30 June 2020 and the full year forecast outturn to 31 March 2021.

Appendix 1: Period 3 – 30 June 2020 Finance Report.



**Period 3 – June 2020/21
Finance Report**

Better homes, better lives

Classified as Internal

Period 3 – 2020/21 Finance Board Report

SUMMARY FINANCIAL PERFORMANCE

1. Operating Statement:	
1.YTD Period 3 2020/21	3
2. Management Information	4-5
3. Balance sheet	6
4. Quarter 1 forecast outturn	7

1. Operating statement P3 – June 2020



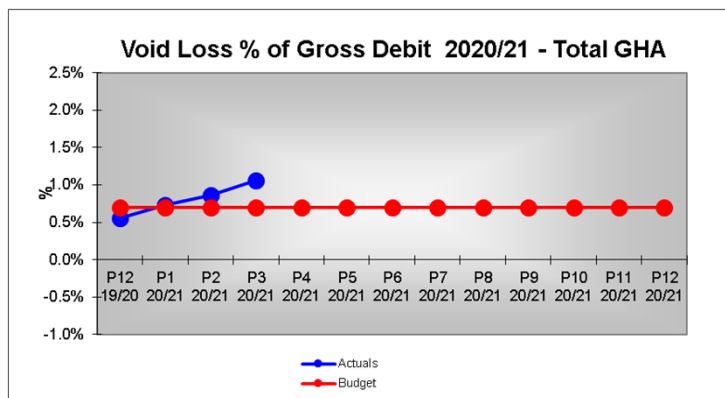
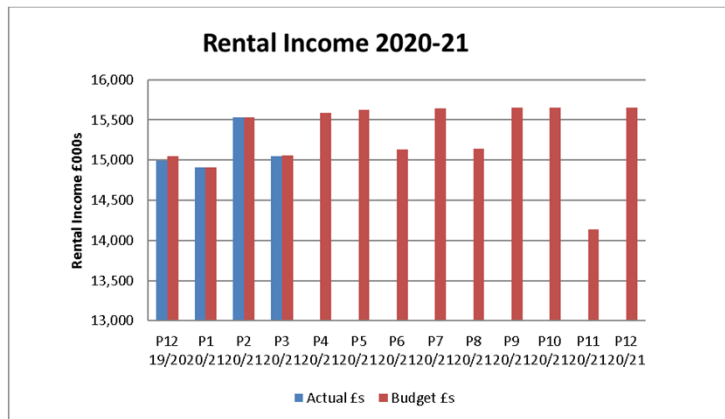
	Year To June 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	£45,483	£45,502	(£19)	£183,732
Void Losses	(£402)	(£316)	(£86)	(£1,275)
Net Rental Income	£45,081	£45,187	(£105)	£182,457
Other Income	£2,140	£2,033	£108	£8,648
Grant Income	£0	£5,730	(£5,730)	£34,259
Total Income	£47,222	£52,950	(£5,728)	£225,364
EXPENDITURE				
Total Employee Costs	£9,925	£11,631	£1,706	£46,149
ER / VR	£0	£193	£193	£773
Running Costs	£4,003	£4,767	£764	£18,919
Revenue Repairs and Maintenance	£4,811	£7,531	£2,720	£27,511
Irrecoverable VAT and bad debts	£2,447	£2,590	£144	£10,362
Depreciation	£15,408	£15,408	£0	£61,632
Demolition and Tenants Compensation	£0	£232	£232	£930
TOTAL EXPENDITURE	£36,594	£42,353	£5,759	£166,274
NET OPERATING SURPLUS / (DEFICIT)	£10,628	£10,597	£31	£59,090
<i>Net operating margin</i>	22.5%	20.0%	2.5%	
RTB Income	£0	£0	£0	£0
Interest payable & similar charges	(£11,630)	(£12,319)	£689	(£49,553)
STATUTORY SURPLUS / (DEFICIT)	(£1,002)	(£1,722)	£720	£9,537
INVESTMENT				
Total Capital Investment Income	£0	£3,849	(£3,849)	£17,668
Total Expenditure on Core Programme	£4,545	£12,249	£7,704	£47,045
New Build & Other Investment Expenditure	£2,752	£14,179	£11,426	£44,959
Other Capital Expenditure	£875	£814	(£61)	£3,257
TOTAL CAPITAL EXPENDITURE	£8,172	£27,242	£19,070	£95,261
NET CAPITAL EXPENDITURE	£8,172	£23,393	£15,220	£77,593

Key highlights year to date:

- Operating surplus of £10,629k is broadly in line with budget largely due to the lower levels of grant income as a result of the delay in new build completions and lower costs resulting from the current Covid-19 restrictions. After taking account of financing costs, the statutory deficit of £1,001k is favourable to budget by £721k. The majority of expenditure lines are reporting variances favourable to budget owing to the changes to the operation of the business during the lockdown.
- Net rental income of £45,081k is £105k adverse to budget. Void losses are £86k higher than budget, with a number of properties let to GCC and the re-letting of other void properties actively under way. Rental income includes the impact of delays in new build completions at Auchinlea, Bellrock and Linkwood, with work suspended on all sites on 23 March. All sites under construction have now restarted, with Covid-19 related measures in place.
- No grant income has been recognised in first three months. A total of 84 units for the first three months (plus 25 delayed from March 2020) were budgeted to complete. Work has recently recommenced with 8 completions at Linkwood completed in July with the balance due for completion in August.
- Total employee costs are £1,706k favourable to budget mainly driven by the claim received for staff under the Coronavirus job retention scheme. Included are employee recharges from Solutions which are £282k favourable to budget.
- Total running costs are £765k favourable to budget with the variance largely linked to the change in the operation of the business during lockdown. This has resulted in lower than expected costs in a number of areas against budget. Unbudgeted PPE costs of £329k are reflected through running costs.
- Revenue repairs and maintenance expenditure is £2,720k favourable to budget. The service is being delivered on a "life and limb" only basis. Reductions have been seen across all areas of repairs expenditure.
- Interest costs are £689k lower linked to a reduction in borrowing as a result of lower capital expenditure levels to date.
- The net capital position of £8,172k is £15,220k below budget. No grant income has been claimed to date.
- Core capital investment programme spend on existing stock is £7,704k lower than budget, driven by the postponement of new works during the lockdown. Costs incurred to date are for gas and lift servicing, boiler and cladding repairs are included in the costs to date.
- New build spend is £11,426k lower than budget following the closure all construction sites on 23 March. Spend relates to mainly site certificates and professional fees. Sites are now open from July.

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

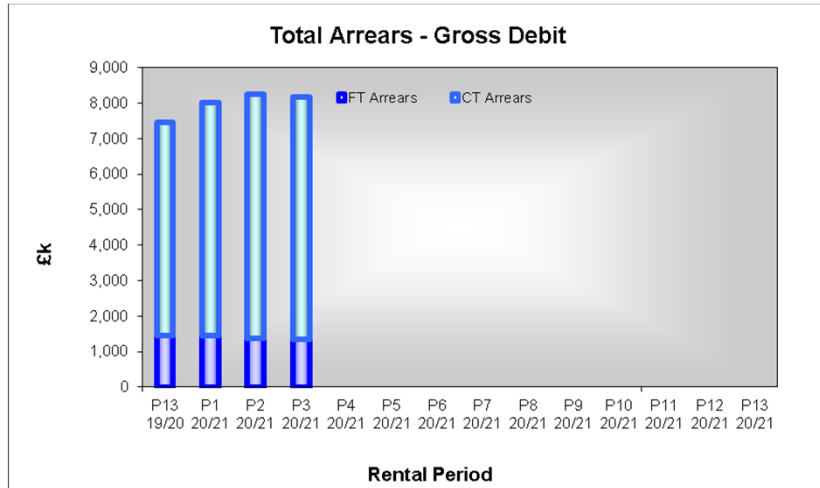
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s
Rental Income	45,483	45,502	(19)
Void Losses	(402)	(316)	(86)
Net Rental Income	45,081	45,187	(105)



Comments:

- Gross rental income is £105k lower than budget at the end of quarter 1. The variance has largely been driven by a delay to the assumed completion date of social rent units at Bellrock, Linkwood and Auchinlea.
- 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 P3 following the delay in new build units handovers.
- Void losses are £87k higher than budget, with re-letting of empty properties on hold for the majority of properties across the Group. This results in void rent loss from 23rd March onwards. Some of the properties are being allocated to Glasgow City Council to help them with homelessness during pandemic.
- As an impact of the above the void rental performance measure for period 3 is 0.88% 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.

2b. Arrears as a proportion of Gross Debit **GHA**



Comments:

- The rental periods operate on a 4 weekly cycle.
- The chart opposite shows arrears up to the end of rental period 3 (14th June 2020). The total arrears are £8,178k. This is an increase of £725k from period 13 of 2019/20 and remains within with our business plan assumptions. The updated financial projections make provision for an increase in the number of tenant arrears moving onto Universal Credit.
- Current Tenant arrears are £6,822k at the end of rental period 3. This is an increase of £833k from the position at the end of rental period 13 in 2019/20. The number of tenants moving onto Universal Credit from March has increased from 4,927 to 8,184 at the end of June.
- Former Tenant arrears have decreased marginally from £1,465k at period 13 to £1,357k at the end rental period 3 2021.
- Helping Hand Fund: a budget of £677k for the year was provided to help tenants particularly affected by welfare reform and financial stress.
- Awards totalling £129k have been made up to end of June 2020.

3. Balance Sheet



GHA Balance Sheet	Current Month As at 30 June 2020 £000's	Previous yr end As at 31 March 2020 £000's
Fixed Assets		
Social Housing Properties	1,339,820	1,339,820
Properties under construction	62,386	57,089
Other tangible fixed assets	40,651	39,926
Investment properties	41,153	41,153
Investments -other	8,387	8,387
Fixed Assets	1,492,397	1,486,375
Debtors Due More Than One Year		
Development Agreement	20,478	20,478
Inter Company Loan	27,730	27,730
Pension asset	13,585	13,585
Current Assets		
Rent & Service charge arrears	11,395	6,760
less: Provision for rent arrears	(4,892)	(4,823)
Prepayments and accrued income	2,241	7,507
Intercompany debtors	17,194	10,664
Other debtors	7,113	7,890
	33,050	27,998
Bank & Cash	3,210	3,796
Current Assets	36,260	31,794
Current Liabilities		
Trade Liabilities	(4,386)	(1,458)
Accruals	(19,164)	(15,200)
Deferred income	(42,348)	(42,226)
Rents & service charges in advance	(7,549)	(7,313)
Intercompany creditors	(2,587)	(3,472)
Other creditors	(5,327)	(8,204)
	(81,362)	(77,873)
Net Current Assets	(45,102)	(46,079)
Long Term Liabilities		
Contingent efficiencies grant	(36,693)	(36,693)
Bank finance	(858,027)	(850,028)
Development Agreement	(20,478)	(20,478)
Provisions	(1,095)	(1,094)
Long Term Liabilities	(916,293)	(908,293)
Net Assets	592,795	593,796
Capital & Reserves		
Retained Income b/fwd	252,434	252,434
Income & Expenditure	(1,001)	0
Revaluation Reserves	341,362	341,362
Funding Employed	592,795	593,796

Comments:

- The balance sheet reported reflects the 31 March 2020 year end statutory accounts position after completion of the audit. Year end adjustments applied include the revaluation of housing properties and actuarial valuation of the defined benefit pension scheme.
- The fixed asset movements from the year end reflects investment in the core programme, the new build programme, and any other fixed asset additions, less depreciation to date. At June there have been no units completed nor any major investment programme work undertaken due to COVID 19 lockdown.
- 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 £5m higher than the year end balance mainly due to the increase in arrears and intercompany balances and lower level of prepayments and accrued income at June. The year end gross arrears figure includes the early receipt of housing benefit payments reducing the figure. The arrears figure of £11.4m at 30 June does not include early HB receipts.
- Short-Term Creditors** – Amounts due within one year of £81.4m includes £19.1m in accruals and £42.3m 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 £858.0m relate to funding drawn down from WFL1. At the end of June the total of additional borrowings of £8.0m have been drawn in the financial year to date.

4. Q1 Forecast



Full Year Forecast	Budget £'000	Qtr 1 Forecast £'000	Variance £'000
INCOME			
Net Rental Income	182,457	181,737	(720)
Grant Income	34,259	26,079	(8,180)
Other Income	8,648	8,648	-
Total Income	225,364	216,464	(8,900)
EXPENDITURE			
Employee Costs	46,149	43,545	2,604
ER/VR	773	3,090	(2,317)
Running Costs	18,919	18,734	185
Repairs & Maintenance	27,511	24,856	2,655
Irrecoverable VAT & bad debt costs	10,362	10,965	(603)
Depreciation	61,632	60,440	1,192
Demolition	930	930	-
Total Expenditure	166,276	162,560	3,716
NET OPERATING SURPLUS	59,088	53,904	(5,184)
Interest Payable	(49,553)	(47,564)	1,989
STATUTORY SURPLUS/(DEFICIT)	9,535	6,340	(3,195)
INVESTMENT			
Total Capital Investment Income	17,668	13,306	(4,362)
Total Expenditure on Core Programme	47,045	35,157	11,888
New Build & other investment expenditure	44,959	31,759	13,200
Other Capital Expenditure	3,257	3,257	-
TOTAL CAPITAL EXPENDITURE	95,261	70,173	25,088
NET CAPITAL EXPENDITURE	77,593	56,867	20,726

Comments:

- This table shows the 2020/21 budget presented to the Board compared to the Q1 forecast for 2020/21, compiled following the June year to date results.
- The forecast operating surplus of £53.9m is £5.2m adverse to budget, and after taking account of financing costs, the statutory surplus of £6.3m is adverse to budget by £3.2m. The main driver of this variance is the lower level of Housing Association Grant income recognised in the year, following the reforecast of new build completions and updates to eh forecast across a number of expenditure lines resulting from the changes in the operation of the business during the covid-19 restrictions.
- Net rental income has been revised to reflect the new letting timelines following the delays in completing new build units from March to date. The forecast reduction is based on the delayed new build completions at Auchinlea, Linkwood, Bellrock, Kennishead, Scaraway and Cranhill being available to let from September onwards.
- Total expenditure is expected to be £3.7m favourable to budget. This is driven by the forecast reduction to employee costs from furlough claims expected to be made through to October (£2.6m) and an additional provision for ER/VR included in the updated financial projections as part of the achievement of additional business efficiencies.
- Running costs are expected to be £185k lower overall reflecting the savings made to June and including additional provision for PPE costs in the remaining months of the year.
- Savings of £2,655k are expected in repairs, with an increase in the level of work over the summer and autumn period.
- Provision for additional bad debts costs have been included in the forecast, increasing the charge for the year. This reflects an additional provision made for the increase in numbers of tenants moving onto Universal Credit.
- Interest payments are forecast to be £1,989k lower than budget as a result of the revised investment and new build expenditure profile.
- The level of new build grant claims is aligned with the revised new build spend profile, reducing investment income by £4.4m.
- The core investment programme is expected to recommence with external investment works being prioritised initially with projects already in progress and compliance/safety works.
- The new build development spend is expected to be £13.2m lower than budget, deferring an element of these costs into 2021/22. The original budget assumed 478 units would be completed in 2020/21, this has now been revised to 360 units. 169 units in total across Baillieston, Sighthill and Watson Street are now forecast to complete in 2021/22, with 51 additional units across Linkwood, Auchinlea and Cranhill rolled forward from 2019/20.

GHA



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Five Year Financial Projections

Date of Meeting: 14 August 2020

1. Purpose

1.1 To provide an update on our financial projections and seek approval of the Five Year Financial Projections (“FYFP”) return which is required to be submitted to the Scottish Housing Regulator (“SHR”) by the end of September.

2. Authorising context

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

2.2 While the Group Board is responsible for the overall approval of the Group business plan and parameters, the Board must also agree its individual business plan within these parameters.

2.3 The SHR requires the annual return on the FYFPs for each RSL to be approved by its Board before they are formally submitted.

3. Risk Appetite and assessment

3.1 Our 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 The information submitted to the SHR in the FYFP return is used as part of its annual review of our financial viability. As such it is important that the information provided is as robust as possible.

4. Background

4.1 In February 2020 the Board approved the 2020/21 Business Plan Financial Projections and related key financial ratios. The first year of these projections formed the basis of our current year budget. As a result of the emergence of COVID-19 and the resulting lockdown, there has been substantial disruption to our business which is expected to continue for some time. This has had a significant impact on our financial performance in the current year and our Business Plan projections and related key financial ratios.

- 4.2 Revised financial projections were presented to the Board in July 2020 setting out an initial estimate of the impact of COVID-19. These projections reflected the anticipated changes to our new build, investment and repairs programmes due to restrictions in place and made provision for the challenges in rent collection as a result of the rise in unemployment and increase in tenants moving onto Universal Credit. They also included projected furlough claims and an increase in assumed savings in employee costs.
- 4.3 The revised projections reflected a significant change to our rent increase assumptions. In recognition of the need to ensure rental income remained affordable we reduced the assumed rent increases on social housing stock from 3.5% each year to 1.9% in April 2021, 2.4% in April 2022 and 2.9% from April 2023 on. This reduction in long term rent increases from 3.5% to 2.9% achieves the key outcome set out in our 2020-25 strategy to deliver below 3% increases by 2025. This earlier implementation of our strategy was made possible by efficiencies achieved to date, together with an increase in planned savings and reduced funding costs at the group level.
- 4.4 The forecast financial statements and key ratios presented to the July Board showed that we have remained financially strong and that the RSL borrower group, of which we are part, was able to meet loan covenants imposed by lenders. It was agreed however that these financial projections would be kept under review and updated for any new information, with revised forecasts to be provided to the August Board and used as the basis for the SHR's FYFP return.
- 4.5 The FYFPs is a web-based return designed by the SHR to collect the financial projections and related information of all RSLs in Scotland in a standard format. The information provided is used to calculate a number of financial ratios and is used by the SHR as part of its annual review of the financial viability of RSLs and in making decisions on the level of engagement. It is also used to allow developing trends, patterns and emerging issues to be identified and considered across the sector. The return provides the actual results for 2019/20 and the financial projections for the next five years and is usually required to be submitted by the end of June each year. However, in light of COVID-19 the SHR extended the deadline for submission to the end of September.

5. Discussion

- 5.1 The revised forecast financial statements presented to the Board in July 2020 have been updated to reflect the actual audited results for 2019/20 as reported in the statutory accounts. The projections have also been reviewed against the outturn figures for the first quarter of the current year and forecast for the remainder of the year and revised for any material changes.
- 5.2 The resulting projected financial statements together with the 2019/20 Statutory Accounts have been used as the basis for the SHR's Five Year Financial Projection return. The return includes financial statements and additional information for 2019/20 together with the first five years of our forecast. Information is collected in a standard format for all RSLs in Scotland with this broadly in line with the statutory accounts format. Our business planning / budgeting structure and accounting policies mean that the figures for us do not fit neatly into this template and therefore some presentational changes have been made for the purposes of the return. For example, employee costs are an important line included in our budget, but there is no line for this in the Regulator's return, with these being split between more thematic headings such as management and administration, repairs, wider action, etc.

- 5.3 The FYFP return to be submitted including the resulting financial ratios used by the regulator to assess and compare performance between RSLs is attached at Appendix 1. It should be noted that the calculation method used by the Regulator for these ratios differs from the methods used by our lenders for funding covenants.
- 5.4 To enable comparison to the figures presented to the Board in July, the summary forecast statement of comprehensive income for the five year period to 2024/25 is shown in Figure 1 below. This shows an increase in comprehensive income of almost £5.5m in 2020/21, primarily due to an additional reduction in employee and running costs, including repairs costs, of £2.7m to reflect actual savings and furlough claims in the year to date. In addition, a lower than assumed opening debt position and higher opening housing property valuation has resulted in a decrease in funding costs in all years and an adjustment to projected valuation movements.

Figure 1: Statement of comprehensive income

	2020/21	2021/22	2022/23	2023/24	2024/25
Turnover	216,703	216,215	215,296	229,827	234,965
Operating Expenditure	(162,799)	(170,557)	(169,764)	(174,065)	(178,842)
Gain on Investment Properties	(2,499)	(14,763)	(5,689)	(7,963)	(3,842)
Operating Surplus	51,405	30,895	39,843	47,799	52,282
Operating Margin (%)	24%	14%	19%	21%	22%
Finance Costs	(47,564)	(50,770)	(52,189)	(53,483)	(54,312)
Housing Property Valuation Movement	8,384	35,289	37,328	32,034	31,232
Total Comprehensive Income	12,224	15,415	24,982	26,350	29,201
July 2020 Projections	6,761	14,263	24,666	26,096	28,269

- 5.5 Our revised Statement of Financial Position, set out in Figure 2 below, shows a strong net asset position which improves over the first five years of the projections. The delivery of 1,355 new affordable housing properties will help to strengthen our net asset base.

Figure 2: Statement of Financial Position

	2020/21	2021/22	2022/23	2023/24	2024/25
Housing & Investment Properties	1,447,465	1,492,782	1,545,188	1,595,782	1,638,705
Other Fixed Assets	49,994	49,172	47,509	47,689	48,090
Lowther Investment	8,386	8,386	8,386	8,386	8,386
Total Fixed Assets	1,505,845	1,550,341	1,601,083	1,651,857	1,695,181
Pension Asset	13,585	13,585	13,585	13,585	13,585
Current Assets	67,887	68,410	65,766	65,173	65,714
Current Liabilities	(60,485)	(55,231)	(55,616)	(60,473)	(53,293)
Net Current Assets	7,401	13,179	10,150	4,700	12,421
Long-Term Liabilities	(919,717)	(954,575)	(977,307)	(996,280)	(1,018,124)
Provisions	(1,095)	(1,095)	(1,095)	(1,095)	(1,095)
Net Assets	606,020	621,435	646,417	672,768	701,969
Retained Earnings	606,020	621,435	646,417	672,768	701,969
Total Reserves	606,020	621,435	646,417	672,768	701,969
July 2020 Projections	545,195	559,458	584,124	610,220	638,488

- 5.6 This shows a substantial increase in net assets compared to the July projections as a result of an increase in the opening housing and investment property valuation and a reduction in opening debt. Over the five year period the movement in net assets is broadly the same. Fluctuations in current liabilities are due to the inclusion of new build grant income. This is reported as deferred income until completion of the units at which point it is transferred to turnover in the Statement of Comprehensive Income.
- 5.7 While we are funded via an intra group loan from WFL1 and is not subject to covenants on a standalone basis it is important to assess our cash generation ability and contribution to the RSL Borrower Group financial position. A key measure used within the Group to determine this is interest cover, with this defined as EBITDA MRI (earnings before interest, tax, depreciation and amortisation with major repairs investment spend taken into account) over net interest payable. Ideally this should be >1 meaning that sufficient cash is generated from operating activities to cover both investment in existing assets and cost of funding. Figure 3 shows the revised projected for interest cover, including a comparison to the figures presented in July.

Figure 3: EBITDA MRI interest cover ratio

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Turnover (excl Grant)	190,624	197,026	203,063	210,891	217,559
Operating Costs (excl Depreciation)	(102,359)	(106,499)	(103,153)	(105,847)	(107,867)
EBITDA	88,265	90,527	99,910	105,044	109,691
Investment	(35,569)	(43,181)	(41,501)	(44,188)	(45,717)
EBITDA (MRI)	52,696	47,346	58,408	60,856	63,974
Interest Expense	(47,564)	(50,770)	(52,189)	(53,483)	(54,312)
Interest Cover	5,131	(3,424)	6,220	7,373	9,662
Interest Cover (x)	1.11x	0.93x	1.12x	1.14x	1.18x
Per July Plan	1.06x	0.92x	1.10x	1.12x	1.16x

- 5.8 This demonstrates that there has been minimal impact on interest cover compared to the financial projections presented in July. The increase in 2020/21 from 1.06x to 1.11x is due primarily to the reduction in employee and running costs with subsequent years showing a slight improvement due to a reduction in funding costs. The actual debt position as at 1st April 2020 as reported in the statutory accounts was lower than the previous financial projections assumed.

6. Key Issues and Conclusions

- 6.1 The revised projections show that we remain financially strong, and that there has been a small improvement compared to the position reported in July. Given the unprecedented level of uncertainty, these financial projections will remain under review and any significant changes reported back to the Board.
- 6.2 The SHR FYFPs have been prepared in accordance with the guidance issued. These projections are based on the 2020 Statutory Accounts, also submitted to this board and the reforecast financial projections. The board are requested to consider and approve the regulator return. Once approved, these will be submitted to the SHR.

7. Value for Money implications

- 7.1 The financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. As part of the reforecast the long term rent increase assumption has been reduced from 3.5% to 2.9% each year.

8. Impact on Financial Projections

- 8.1 The impact of the reforecast on our financial projections is outlined in section 5 above.

9. Legal, regulatory and charitable implications

- 9.1 Once approved by the Board the FYFPs return will be submitted to the SHR. The information will be used only by the SHR in its role as regulator and will not be used or relied upon by any other party. It is therefore not expected that there will be any legal implications

10. Equalities Impact

- 10.1 Not applicable

11. Recommendations

- 11.1 The Board is requested to:
- 1) Note the update to our financial projections, including the impact of the actual results for 2019/20 as reported in the Statutory Accounts; and
 - 2) Approve the summary sheet and accompanying financial data and projections at Appendix 1 and authorise these to be submitted to the SHR

Appendix 1 : SHR Five Year Financial Projections

Ratios							
Glasgow Housing Association Ltd, The							317
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Financial capacity							
Interest cover %	181.9	172.1	178.7	204.8	206.7	210.8	
Gearing %	148.7	150.6	152.5	150.1	147.0	144.0	
Efficiency							
Voids %	0.6	1.0	1.0	1.0	1.0	1.0	
Arrears %	1.1	5.2	5.4	3.9	3.4	3.3	
Bad debts %	1.3	2.5	2.0	2.0	2.0	1.9	
Staff costs / turnover %	27.8	26.9	26.5	26.8	25.5	25.4	
Turnover per unit (£)	5,191.8	5,350.8	5,297.6	5,249.6	5,567.9	5,659.9	
Responsive repairs to planned maintenance	2.0	1.8	1.8	1.8	1.9	1.9	
Liquidity							
Current ratio	0.9	1.3	1.4	1.3	1.3	1.3	
Profitability							
Gross surplus / Deficit %	15.9	23.7	14.3	18.5	20.8	22.3	
Net surplus / Deficit %	13.7	5.6	7.1	11.6	11.5	12.4	
EBITDA / revenue (%)	18.3	34.0	22.7	28.9	30.0	31.8	
Financing							
Debt Burden	4.2	4.2	4.4	4.5	4.3	4.3	
Net debt per unit (£)	21,932.8	22,536.8	23,216.9	23,659.1	23,966.9	24,343.3	
Debt per unit (£)	22,027.1	22,709.6	23,388.4	23,829.8	24,136.4	24,524.8	
Diversification							
Income from non-rental activities %	4.8	4.0	4.5	5.0	5.1	5.3	
Other Activities Surplus to Operating Surplus %	(9.4)	(1.1)	5.0	6.0	6.3	6.9	



Report

To: GHA Board

By: Anthony Allison, Director of Governance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Governance update

Date of Meeting: 14 August 2020

1. Purpose

- 1.1 To update the Board and, where applicable, seek Board approval on the following governance related matters:
- 2020 Annual General Meeting (“AGM”) arrangements
 - Secretary’s report
 - Constitutional changes
 - Board arrangements and cycle for the remainder of 2020
 - Scottish Housing Regulator consultation on the Regulatory Framework

2. Authorising context

- 2.1 Under the Group Authorising Framework, the Group Board is responsible for the Group’s overall governance arrangements. As part of this role, the Group Board is responsible for the Group’s governance framework and agreement of any changes.
- 2.2 The Board is responsible for calling meetings, including General Meetings. All Board member appointments / re-appointments at the AGM require approval by the Parent under the Rules.

3. Risk appetite and assessment

- 3.1 Our agreed risk appetite for governance is “cautious”. This level of risk tolerance is defined as a “preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward”.
- 3.2 In order to mitigate this risk we engaged our external legal advisors to support the revision of the Rules as well as engaged the Board throughout the process.

4. Background

- 4.1 At its meeting on 29 May the Board considered and agreed proposed changes to our Rules. It was also agreed that those changes be presented to the members (also the Board) for agreement at a Special General Meeting.

5. Discussion

Annual General Meeting

- 5.1 The UK wide Corporate Insolvency and Governance Bill received royal assent on 25 June and is now an Act. The measures in this Act were designed to *'relieve the burden on businesses during the coronavirus (COVID-19) outbreak and allow them to focus all their efforts on continuing to operate'*.
- 5.2 Part of the Act allows organisations, including us, to hold General Meetings virtually, even where this is not expressly permitted in the constitution. This provision was in recognition that unnecessary gatherings should be avoided and that the facilities may not be available to do so even if permissible.
- 5.3 It is therefore intended that the 2020 AGM will be held virtually (via Zoom) on 18 September 2020 at 10.30 am. Papers will be issued to members in the normal electronic way.
- 5.4 Under the Rules any Board member who has served for 3 year requires to retire from office. Any such member may seek re-election. Bernadette Hewitt has served for three years and therefore requires to retire at the AGM. In line with our agreed succession plan, Bernadette is proposed for reappointment at the AGM.
- 5.5 As previously advised to the Board in May, Jean Albert Neitcho will step down at the 2020 AGM after 6 years' service, including having also served as a director of the Wheatley Foundation for over 4 years. Additionally, Robert Geddes agreed to postpone his planned retirement at the 2020 AGM until we recruited a replacement.
- 5.6 In recognition of the importance of filling the existing vacancy and future vacancies, the recruitment process for new Board members is underway. The first 4 interviews are planned for w/c 14 August with further candidates still in the process.
- 5.7 The reappointment of all members is subject to Parent approval and this will be formally confirmed by the Group Remuneration, Appointments, Appraisal and Governance Committee at its meeting on 26 August.

Secretary's report

- 5.9 In advance of the AGM, Rule 68 states that:

"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".

- 5.10 The Secretary's report in relation to each Rule referred to in Rule 68 is as follows:

Rule	Secretary report
62	The physical signing of the minutes was not possible during the early stages of the pandemic as meetings were held virtually. Provision has now been made to allow the minutes to be executed with a wet signature.
63	The seal is not routinely used. It is kept at the registered office.
64 and 65	All registers have been checked and maintained throughout the year and are held at our registered office
66	Our registered name is displayed at our registered office and at every office where our business is carried out. It is also clearly marked on business letters, notices, adverts, official publications and financial documents.
67	Our books of account, registers, securities and other documents are kept at our registered office at Wheatley House, 25 Cochrane Street, G1 1HL

Constitutional changes

- 5.11 The Board received the proposed constitutional changes at its meeting in May. A final tracked change version of the proposed changes is set out at Appendix 1. This includes the range of administrative updates as well as alignment with Group policy previously considered by the Board in May. Since the May meeting, whilst they no longer have a formal consent role we have engaged the Scottish Housing Regulator (“SHR”) on the proposed changes.
- 5.12 The SHR, as would be expected, have been clear that they would expect the changes to be made within the context of fully understanding the associated Regulatory Standards (the Standards”) and complying with said Standards.

Appointment process

- 5.13 Under the current Rules Board appointments are subject to election at the Annual General Meeting. In our case, this is a duplication of the existing Board due to our membership model and therefore the change does not introduce any material change, rather just the practical process. On this basis the change simply becomes a process and timing change, with the approval mechanism still via the Board and therefore does not necessitate a reassessment of compliance with the Regulatory Standards.

Board member eligibility criteria

- 5.14 Under the current Rules (Rule 37.4) there is a blanket restriction on Board members being ‘closely connected’ to an employee. In practice, what this means is that if someone ‘closely connected’ to Board member was to seek employment either:
- They could not be appointed under any circumstance unless the Board member resigned; or
 - The Board member would be removed from the Board upon the person being granted a contract of employment

5.15 This forms part of the Scottish Federation of Housing Associations sector Model Rules. Additionally, this is linked to the following Standard:

Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.

5.16 The rationale for the Model Rule and Standard are clear and appropriate; to ensure that there are protections that RSLs act with honest and integrity and do not leave themselves open to the perception of impropriety.

5.17 The proposed change to Rule 37.4 is to allow an element of discretion, under exceptional circumstances, rather than the current blanket restriction. It is proposed that this would be permissible only if agreed by the Parent. The proposed change recognises that in both GHA and the wider Group we are large scale employers and there may be instances where we are unnecessarily disadvantaging individuals.

5.18 As the Board are not directly involved in decision making regarding the appointments to such posts, and there is a requirement to declare such a relationship during the recruitment process we are confident that no Board member could unduly influence the recruitment process.

5.19 As an additional step, any such appointment would require to be **formally approved** by the Group Remuneration, Appointments, Appraisal and Governance Committee, having satisfied themselves the process was completely open and transparent. This approval will incorporate an explicit assessment of whether the process meets the Standard. The Committee may at this time still decide that it is necessary for the Board member to step down before any employment is offered.

5.20 It is worth reiterating that we **fully expect this to be by exception**, if at all, and not to be relating to senior roles.

Special General Meeting

5.21 In order to effect the changes we require to convene a Special General Meeting ("SGM"). It is proposed that the SGM be held lockstep with the AGM, also virtually (via Zoom) on 18 September 2020 at 10.20. As we are a Registered Society the Rules require to be registered with the Financial Conduct Authority.

Board arrangements and cycle for the remainder of 2020

5.22 It is intended that this will be the final Board meeting under the interim governance arrangements and that we will revert back to the full Board at the next Board meeting. It is intended we will have a Board meeting in October, with a date to be confirmed, and subject to any changes to the current Scottish Government guidance hold this in person. The strategy workshop dates for both cohorts of the Board have been agreed directly with Board members.

- 5.23 We will engage our Health and Safety colleagues to ensure the meeting is held in accordance with the Scottish Government guidance. We will also make provision for members to attend virtually if they do not wish to attend, for example if a Board member was shielding. We will also hold the November meeting as planned on 25th November.

Scottish Housing Regulator consultation on the Regulatory Framework

- 5.24 The SHR are currently consulting on proposals to adjust its regulatory approach in response to the Covid 19 pandemic
<https://www.housingregulator.gov.scot/about-us/what-we-do/consultation-on-our-future-approach-to-regulation-in-response-to-the-covid-19-pandemic/our-consultation-on-our-future-approach-to-regulation-in-response-to-the-covid-19-pandemic>).
- 5.25 The consultation covers the following key areas:
- Annual Assurance Statement – the proposal it remains a requirement to submit by 31 October 2020
 - Publication of Scottish Social Housing Charter performance reports by landlords – extension of the deadline to issue the Annual Report to Tenant to the end of December 2020 (reflecting the extension of the ARC submission to 31 July)
 - Publication of Engagement Plans and Regulatory Status – revised plans, including a Regulator Status, will now be issued on 31 March 2021
- 5.26 We are currently considering our response to the consultation and an update on this will be provided to the meeting.

6. Key issues and conclusions

- 6.1 The proposals in the report allow us to respond to the impact of Covid 19 by taking advantage of the option to hold virtual meetings. Additionally, the proposed Rule changes allow us to further refine our governance arrangements.

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 are no financial implications associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 The legal and regulatory requirements are set out in detail within the body of the report.

10. Partnership implications

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

11. Implementation and deployment

- 11.1 It is proposed that we formally call AGM and SGMs to effect the proposals within the report. These meetings will be called in line with the requirements laid out in our Rules.

12. Equalities impact

- 12.1 We are in the process of implementing the Equality and Diversity policy and part of this will include considering how Board recruitment actively takes into account, promotes and positively fosters equality and diversity.

13. Recommendations

- 13.1 The Board is asked to:

- 1) Approve the tracked changed Rules;
- 2) Delegate authority to the Chair and Company Secretary to agree any further non-material changes to the Rules prior to them being presented to the SGM for approval
- 3) Agree to call the Annual General Meeting for 18 September 2020 at 10.30 to be held virtually via Zoom;
- 4) Agree to recommend Bernadette Hewitt to the AGM for reappointment, subject to Parent approval;
- 5) Note the confirmation from the Secretary that Rules 62-67 have been followed
- 6) Agree to call an 'Special General Meeting for 18 September 2020 at 10.20 am to be held virtually via Zoom to pass a special resolution to adopt the revised Rules

LIST OF APPENDICES:

Appendix 1: Tracked Changed GHA Rules

Amended by Special Resolution 13/09/19

These are the Rules
of

The Glasgow Housing Association Limited

Based upon
SFHA Charitable Model Rules (Scotland) ~~2013~~ 2020
(~~as amended 2015~~)

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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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.~~
- ~~7.3~~7.2 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.

~~7.47.3~~ Notwithstanding Rule ~~7.37.2~~ 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.

~~7.57.4~~ 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~~ be a Member and shall have one share to the value of one pound (~~the "Parent Share"~~) in the Association.

~~7.67.5~~ 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.

~~7.77.6~~ 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~~The Parent will confirm the identity of a representative, ~~the organisation must send by issuing a notice to~~ the Association ~~a copy of the authorisation or appointment of an individual as a representative. This should be signed by~~in writing or by electronic communication on behalf of a Director, Secretary or Authorised Signatory of the ~~organisation 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~~Parent.
- 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~~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 ~~you are~~the representative is 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 ~~you~~they are no longer ~~a~~the 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.~~
- ~~17.1~~16 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~~17) and the value of the share will then belong to the Association.

~~17.2 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.~~

17 Prior to your death, 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.

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;~~
 - ~~20.4~~20.3 appoint the auditor for the following year; and
 - ~~20.5~~20.4 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 the 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 other Members must either be present at the ~~venue~~meeting 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 in accordance with Rule 12.
- 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 ~~29.3~~[29.2](#)). 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.~~
- [29.2](#) [The Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast:](#)

~~29.3~~29.2.1 ~~At~~ any special general meeting called by the Secretary in accordance with these Rules for the purpose of considering and, if appropriate, approving:

~~29.3.4~~29.2.1.1 any amendments, additions or deletions to any of these Rules; and/or

~~29.3.2~~29.2.1.2 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 ~~29.3~~29.2 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 ~~29.3~~29.2, 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~~

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~~34.1 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.

~~35~~34.2 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.~~

~~36~~35 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 ~~37.9~~37.7).

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. A person must be aged 18 or over but need not be a Member to become a co-optee, a person appointed to fill a casual vacancy or as a co-optee by The Scottish Housing Regulator or s Parent Appointee (as defined in Rule 37.7).~~
- 37.4 With the exception of the Parent ~~Appointee~~Appointees (as defined in Rule ~~37.9~~37.7), an employee of the Association, or, unless otherwise approved by the Parent, 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.~~
- ~~37.8~~37.6 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 ~~7.4~~7.3.
- ~~37.9~~37.7 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 ~~Appointee~~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.
- ~~37.10~~37.8 Notwithstanding any other provision of these Rules:
- ~~37.10.1~~37.8.1 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;
- ~~37.10.2~~37.8.2 any appointments and removals from office in terms of Rule ~~37.10.1~~37.8.1 may be made from time to time and at any time by notice in writing ~~signed or by electronic communication~~ on behalf of the Parent ~~and served on the Association~~ and, in each case, shall take effect upon the date of ~~lodgement of written~~receipt of the notice ~~at~~by the ~~Association's registered office~~Association or such later date as may be specified in the notice; and

~~37.10.3~~37.8.3 all candidates for ~~election, re-election,~~ appointment, or re-appointment as Board Members in terms of these Rules shall first be approved in writing or by electronic communication 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.

~~37.11~~37.9 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:

~~37.11.1~~37.9.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects;

~~37.11.2~~37.9.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

~~37.11.3~~37.9.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:

~~37.11.3.1~~37.9.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board Member; and

~~37.11.3.2~~37.9.3.2 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

~~37.11.4~~37.9.4 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 ~~38.2~~38.3, provided that there are at least three remaining Board Members who are entitled to remain in terms of this Rule ~~38.2~~38.3, 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 each~~ 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 ~~or re-election,~~ unless otherwise approved by the Parent in accordance with Rule 39.6.

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~~ re-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 approved by the Parent.

39.6 Other than the Parent ~~Appointee~~ Appointees (if appointed) no Board Member shall serve more than nine years' service in total on the Board, whether continuously or in aggregate, unless otherwise approved by the Parent. 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 ~~39.5~~ 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 ~~Appointee~~ 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.~~

~~41.2~~39.9 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 ~~until the next annual general meeting~~for a period of up to one year 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~~these 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;
- ~~43.1.11~~43.1.12 he/she has been removed from the governing body of any other member of the Group;
- ~~43.1.12~~43.1.13 he/she has left the Board and a period of five years has not expired since his/her departure ~~for the purposes,~~ unless otherwise agreed by the Parent in accordance with the terms of Rule 39.5 and the Parent has not approved his/her return within that period;
- ~~43.1.13~~43.1.14 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;
- ~~43.1.14~~43.1.15 he/she is a Tenant Board Member and ceases to be a Tenant or becomes a Council Board Member;
- ~~43.1.15~~43.1.16 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~~re-appointed as an Independent Board Member if he/she becomes a Tenant; or (b) becomes a Council Board Member; or
- ~~43.1.16~~43.1.17 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~~re-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~~[Appointees](#), 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~~[Appointees](#), 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 aper calendar 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 ~~Appointee has~~ Appointees have 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 ~~Appointee~~Appointees) to receive such notice shall not invalidate the ~~proceeding~~proceedings of the relevant meeting.
- 51 Board Meetings ~~of the Board~~ 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~~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.
- ~~53~~52.2 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.
- ~~54~~53 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.
- ~~55~~54 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 ~~request~~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~~Appointees) 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~~ aThe Chairperson will be appointed from among the Tenant Board Members in accordance with Rule ~~59.6~~59.7 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:
- ~~59.5.1~~59.6.1 the Board works effectively with the senior staff;
 - ~~59.5.2~~59.6.2 an overview of business of the Association is maintained;
 - ~~59.5.3~~59.6.3 the Agenda for each meeting is set;
 - ~~59.5.4~~59.6.4 meetings are conducted effectively;
 - ~~59.5.5~~59.6.5 minutes are approved and decisions and actions arising from meetings are implemented;
 - ~~59.5.6~~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;
 - ~~59.5.7~~59.6.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
 - ~~59.5.8~~59.6.8 the Board monitors the use of delegated powers;
 - ~~59.5.9~~59.6.9 the Board receives professional advice when it is needed;
 - ~~59.5.10~~59.6.10 the Association is represented at external events appropriately;
 - ~~59.5.11~~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

~~59.5.12~~59.6.12 the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.

~~59.6~~59.7 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.

~~59.7~~59.8 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.

~~59.8~~59.9 If the votes of the Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.

~~59.9~~59.10 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.

~~59.10~~59.11 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.

~~59.11~~59.12 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 ~~59.6~~59.7 or ~~59.9~~59.10 then they shall also be deemed to have resigned as a Board Member, regardless of the length of their period of service as Chairperson.

~~59.12~~59.13 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 ~~Chairperson~~chairperson of the meeting at which they are presented. All minutes signed by the ~~Chairperson~~chairperson 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 [or by electronic communication](#) 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~~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 Sheriffdom 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 ~~14~~28 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;

~~88.6.2~~88.6.3 notify the Office of the Scottish Charity Regulator within three months of the change having been made; and

~~88.6.3~~88.6.4 obtain the prior written approval from the Parent.

INTERPRETING THESE RULES

~~89.1~~89 In these Rules, the following words and phrases have the meanings given below:

~~89.1.1~~89.1 "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.

~~89.1.2~~89.2 "Association" means the registered social landlord referred to in Rule 1 whose Rules these are.

~~89.1.3~~89.3 "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.

~~89.1.4~~89.4 "Board Meeting" means a meeting of the Board.

~~89.1.5~~89.5 "Board Member" means a member of the Board.

~~89.1.6~~89.6 "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.

~~89.1.7~~89.7 "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.

~~89.1.8~~89.8 "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~~89.9 "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.

~~89.1.10~~89.10 "Constituencies" means the constituencies of the Board represented by the Tenants, the Council and the Independent Sector and "Constituency" means any one of them.

~~89.1.11~~89.11 "Council" means Glasgow City Council or any successor body.

~~89.1.12~~89.12 "Council Board Member" means a Board Member who has been nominated by the Council and who is appointed to the Board pursuant to Rule ~~37.8~~37.6.

~~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.~~

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

~~89.1.14~~89.14 "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.

- ~~89.1.15~~89.15 "Group" means the Parent, the Association and any Subsidiary from time to time.
- ~~89.1.16~~89.16 "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.
- ~~89.1.17~~89.17 "Group Chief Executive" means the chief executive of the Group from time to time.
- ~~89.1.18~~89.18 "Group Director of Finance" means the director of finance of the Group from time to time.
- ~~89.1.19~~89.19 "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.
- ~~89.1.20~~89.20 "Independent Board Member" means a Board Member who is neither a Tenant Board Member, a Council Board Member, nor the Parent Appointee.
- ~~89.1.21~~89.21 "Independent Sector" means such sector as is representative of neither the Tenants nor the Council.
- ~~89.1.22~~89.22 "Meeting" means a general meeting of the Association, whether special, general or annual referred to in Rules 20-23.
- ~~89.1.23~~89.23 "Member" means a member of the Association whose name is entered in the Register of Members.
- ~~89.1.24~~89.24 "Office Bearer" means the Chairperson, Vice Chairperson, Secretary, and such other Officer Bearer appointed under Rule 59.1.
- ~~89.1.25~~89.25 "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.
- ~~89.1.26~~89.26 "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.
- ~~89.1.27~~89.27 "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.
- ~~89.1.28~~89.28 "property" includes everything which can be passed on by inheritance (including loans, certificates, books and papers).

- ~~89.1.29~~89.29 "Register of Members" means the register of members referred to in Rule 64.
- ~~89.1.30~~89.30 "Rules" means the registered Rules of the Association.
- ~~89.1.31~~89.31 "The Scottish Housing Regulator" means The Scottish Housing Regulator as established pursuant to Section 1 of the Housing (Scotland) Act 2010.
- ~~89.1.32~~89.32 "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.
- ~~89.1.33~~89.33 "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.
- ~~89.1.34~~89.34 "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.
- ~~89.1.35~~89.35 "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~~;~~.
- ~~89.1.36~~89.36 "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.
- ~~89.1.37~~89.37 "Vice Chairperson" means the vice chairperson of the Association referred to in Rule ~~59.12~~59.13.
- ~~89.1.38~~89.38 Words in the singular also include the plural. Words in the plural also include the singular.
- ~~89.1.39~~89.39 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

Summary report:	
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Table moves from	0
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Format changes	0
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