



**DUNEDIN CANMORE HOUSING LIMITED
BOARD MEETING
Thursday 28 May 2020 at 17.00 BY TELEPHONE**

A G E N D A

1. Apologies for Absence
2. Declarations of interest
3. a) Minute of Meeting held on 6 February 2020, actions & matters arising
4. Business update
5. Start-up and renewal of activity
6. Annual Return on the Charter
7. a) Finance report & 2020/21 Budget
b) Bank of England facility application
8. Alertacall
9. Governance update
10. AOCB

Report

To: Dunedin Canmore Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Executive Director for Housing & Care

Subject: Business update

Date: 28 May 2020

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

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

4. Background

- 4.1 A significant number of staff across Dunedin Canmore have now been working from home successfully for almost ten weeks. We do, however, retain a significant presence “in the field” in many areas of the organisation. The sections below provide a more detailed update on many of the areas introduced in recent update emails to all Board members.

5. Discussion

(i) *How we are supporting customers*

- 5.1 We have determined the services which are essential for our customers & continue to provide these. These include:

Keeping our customers safe in their homes:

- Life and limb repairs continue for all our customers
- Our NETs team are able to review our housing areas for safety issues, removing bulk and other waste which could potentially be a fire hazard. They also maintain visual security checks on buildings.
- Carrying out gas safety servicing in line with our statutory obligations via a revised process to meet some of our customers’ concerns about visitors to their home and to take into account restricted functions due to offices being closed.
- High level overview of anti-social behaviour in our areas, in conjunction with Police Scotland. Reports of anti-social behaviour have been notably higher with the most common reason being noise disturbance. Colleagues within the Group ASB prevention team have been supporting our housing officers to record these incidents on our business intelligence systems. ASB duty officers are contacting every complainer to make them aware that their complaint has been recorded and dependant on the level / frequency of ASB, will be progressed once full services resumes. In Dunedin Canmore each of our Housing Officers takes a key leads on a business function, and our ASB lead is in liaison with the Group Strategic Partnership Manager on a weekly basis – reporting in to the housing team at weekly virtual meetings.

Maintaining regular contact with our customers:

- We have ensured that we create a direct link between customers and their housing officer while local offices are closed. This is being done through proactive direct contact focused first on the vulnerable, elderly and those who normally make payments by face to face methods. Since home working commenced on 23rd March 2020, we have made over **4000** outbound calls to our customers to check on welfare, make initial contact & provide general support

- We have developed a revised approach to ensure our customers get the welfare benefits and fuel advice they most urgently need – largely through new telephone based services. Staff have made more than **1500** referrals to our welfare services (such as benefits advice, fuel advice, EatWell and tenancy support), these numbers increase on a daily basis as housing officers continue to reach out to our customers.
- We have accelerated the development of bulk SMS messaging to support contact with our customers. In mid-May we launched a Talk to Us message for customers to reiterate to people that they should get in touch if they are experiencing difficulties

Supporting customers with financial difficulties and benefits:

- Provision of proactive support to our customers to help them in relation to difficulties they may have with rent payment and/or applying for Universal Credit – this contact has also enabled us to provide support for a wider range of issues facing our customers
- Helped almost **100** customers through the Universal Credit Alternative Payment Arrangement process and have spoken to more than **250** customers to give advice on benefits and entitlement to Universal Credit.
- Referred over **60** customers to our Money Advice service to offer budgeting advice and support with their bills
- Our fuel advisor continues to receive referrals for support in fuel poverty and customers susceptible to being off supply, more than **80** customers have received advice and assistance, benefiting from expertise around tariff rates and standing charges,

Preserving employment and supporting the supply chain:

- New accelerated payment terms have been developed to ensure our suppliers & sub-contractors get paid quickly to provide income in this emergency period. During lockdown we have continued to maintain high performance levels on invoice processing – during April we processed 591 invoices with a performance level of 98% on time.

Continuing to provide care and support services:

- Continuing to meet regulatory requirements for care and shared living environments. In particular, delivering our homelessness service at Dunedin Harbour has been challenging in this environment but staff are continuing to safely support our customers
- Supporting self-isolation, shielding and social distancing in our shared living environments including retirement complexes

- Provision of care services through Wheatley Care to our customers through a move to telephone support for some outreach services such as the Tenancy Support Service (which helps customers maintain their home)

Working with local authorities to address homelessness:

- Working with our partners to resolve immediate homelessness through the provision of a pipeline of void properties to local authorities. We have provided 9 properties to Edinburgh City Council for provision of temporary accommodation.
- We have worked with the Housing First consortium in Edinburgh to rehouse one customer who was having difficulty in hostel accommodation

Addressing food shortages in our communities:

- We have been able to take advantage of the Wheatley Group Eat Well service for our customers. This has been supported with Scottish Government funding. As of mid-May, we have delivered **1,510** food parcels to our customers in Dunedin Canmore who are self-isolating or otherwise unable to get supplies. We have also been supporting Dunedin Harbour with a further **88** parcels as part of the service.
- Repairs and environmental staff are volunteering to deliver food packages where they are not carrying out other essential work.
- Wheatley Foundation's front funding of food for our customers has also maintained employment in some catering provision companies who were about to lay off staff prior to us placing medium term supply orders with them.
- Wheatley Group has supported our partners at Social Bite with £100,000 donation to help with their initial work in this emergency period.

The following is an example of how the Eat Well service and the Housing Officers working together is making a huge difference to our customers. Whilst out delivering food parcels at Brandfield St our two NETs team members noticed some bags of refuse piled up outside a customer's home. Knowing this particular customer was elderly and infirm the team members decided to check on her, she communicated through the door that she hadn't been feeling well and had not been able to get out for essential supplies.

The team provided her with a food and cleaning package, but she was also concerned as she had been unable to get supplies for her pet cat, so one of the team went to the shops and bought cat litter and cat food. The customer was very relieved as this had been causing her great distress.

The team member then flagged the customer's health issues to the Housing Officer who in turn managed to get the customer support from NHS and Social Work to assist with her health needs.

5.3 Across Group, we are currently investigating a number of other avenues to support our customers and stakeholders:

- Examining the potential of extended use of Alertacall (intensive housing management) for some of our older and more vulnerable customers (a separate report is on tonight's agenda);
- Working in partnership with organisations specialising in support to those facing domestic abuse to ensure pathways to assistance and potential provision of accommodation;
- Liaising closely with Scottish Government to seek additional funding to support further food delivery and support to our communities. The Scottish Government announced a package of £350m in March to support local efforts to tackle the impact of Coronavirus. Wheatley Foundation has made bids to the £70m Food Fund to support the work noted above, as well as to the Communities and Wellbeing Funds. The Group are liaising with senior Scottish Government officials to push our case for support, based on our ability to deploy support rapidly and at scale.
- Lobbying government for potential changes to statutory requirements, benefit issues and fuel poverty issues which affect our customers. In particular, the Wheatley Group Chair has written to the Secretary of State for Work and Pensions to request changes in areas such as allowing backdating of benefit payments, deducting rent automatically from advances received by claimants and ending the five-week wait for the first payment under Universal Credit.

(ii) *How we are managing and protecting our staff*

5.4 We have supported the "Stay Home, Stay Safe" approach by ensuring all staff who can work from home are able to do so. This includes:

- All housing officers;
- All central support staff;
- Our 24-hour call centre in Glasgow – technology and equipment was sourced and deployed at very short notice to allow all functionality to take place with staff working from home.
- Closing all common areas within retirement complexes; and
- Ceasing new build development and investment works.

5.5 We are following the Scottish Government's guidance in respect of our trades operatives and our care staff working in Dunedin Harbour. Occupational Safety Manuals have been updated with the relevant guidance about when and where to use personal protective equipment and how to implement social distancing requirements. This has been supplemented by an additional message from the Group Chief Executive to reinforce the guidance. Staggered lunch breaks and altered work patterns have also been put in place where necessary to maintain social distancing.

5.6 Phone and video-conference meetings have replaced face to face contact for our teams, with people adapting rapidly to different ways of working and showing great innovation to make sure they keep in touch. Inevitably, some activities are more difficult to do remotely, and after the initial period of change, staff are beginning to settle into a new routine.

- 5.7 Given the extent of activity we have suspended, we are making use of the UK government's furlough scheme. We have put 46 employees on this scheme where we are unable to provide work for them due to the government restrictions. This includes investment staff, some trades operatives and some back office and reception staff. They will continue to be paid in full, with no interruption to their benefits or pension service, but we will be able to claim back a proportion of their salary costs. The furlough period must be reviewed at 3 weekly intervals, and staff can come and go from the list at these break points. We have also applied for furlough allowance for 31 bank workers who are self-employed and deliver part of our investment programme.
- 5.8 We plan to track closely the mood of staff over the weeks ahead to try to identify common issues arising and maintain morale when face to face contact is impossible. This is especially important with those staff who are on the furlough leave period. We are already making sure that the positive stories of the difference we are making to people's lives are shared through our intranet and a daily email to all staff, as well as blogs and planned online events and competitions. We are keen, despite the difficult circumstances, to track the learning we take from this period about how a workforce functions remotely away from the office. This was clearly a theme in our 2025 strategy, and while this strategy will now need to be recast in part, we wish to understand which elements of this remote working service model work well and which do not.

(iii) *Safeguarding our financial position*

- 5.9 The risk to our rental income has significantly increased, as many customers struggle to adapt to the current situation. Among our customer base, we had more than double the number of customers moving onto Universal Credit last week than we had been previously experiencing. In addition, the new Scottish Government legislation which extends the timescale before eviction proceedings can begin to six months in the both the social and private rented sector creates increased risk that customers may not prioritise paying their rent.
- 5.10 We continue to give the message to customers that "we are here for you", and that payment of rent continues to be important to keep customers out of debt. Our housing staff continue to support customers to pay their rent from their new positions working from home. We are encouraging use of online and phone payments, particularly for those customers who previously paid using in-person methods such as Paypoint terminals in shops. 92 customers have switched to Direct Debit payment method with the support of their housing officer since home working commenced.
- 5.11 Nevertheless, we anticipate an increase in arrears. Predicting this is challenging at present, but we have modelled a number of scenarios at Group level, including a scenario that c9000 (15%) customers pay no rent at all for the next 6 months. This would equate to lost rent of around £20m across Group.
- 5.12 Set against this risk, we have instigated a number of cost saving measures. The cessation of non-life and limb repairs and investment work is the most significant.

6. Value for money implications

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

7. Impact on financial projections

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

8. Legal, regulatory and charitable implications

- 8.1 At Group level, we have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives.

9. Partnership implications

- 9.1 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services.

10. Implementation and deployment

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

11. Equalities impact

- 11.1 None noted.

12. Recommendation

- 12.1 The Board is asked to note this update.

Report

To: Dunedin Canmore Housing Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Framework for startup and renewal of activity

Date of Meeting: 28 May 2020

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

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

4. Background

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

5. Discussion

- 5.1. On Thursday 7th May, the Scottish Government announced that the current lockdown-style restrictions will continue for at least another three weeks. However, there has been progress in reducing the rate of infection nationally, and the First Minister has indicated that at the next review on 28 May, there is likely to be some easing of restrictions of movement and contact, including outdoor work being permitted. For scenario planning purposes we have assumed this might include, during June:
- Continuation of the advice to work from home if possible and enforcement of social distancing
 - The ability to extend a family/household “bubble” to include other close relatives such as grandparents, allowing travel to visit these people
 - Approval for a resumption of construction activity in Scotland (which has taken a stricter line than England, effectively banning all activity at present), based on strict controls designed to maintain social distancing
 - Reintroduction of the ability to move house, again based on maintaining social distancing
 - An increase in the range of shops that may be permitted to open
 - Acknowledgement by the Scottish Government that staff may return to workplaces such as offices and factories, but on strict condition that 2 metre social distancing can be enforced
- 5.2. In anticipation of this, we have been planning for some weeks what our “phase 2” response might be, and what services and activities we would reintroduce. We have also carried out a review across the organisation of what has been working well, how we have addressed challenges, and what we might need to do differently as we approach the next phase.
- 5.3. Clarity and transparency will be vital as we adapt our service model in the next phase. A comprehensive internal and external communications strategy will be needed to explain to staff, customers and stakeholders why we are reintroducing certain services (or not), and how people will be kept safe as we do this. Close working with our trade union partners will be important in developing this.
- 5.4. Our proposals are set out below, detailing the current service/activity and how this would change for an assumed period from June to the end of September. It should be emphasised that these are provisional plans at this stage, and may need to be altered depending on what the Scottish Government decides in the coming weeks. Some indicative considerations for the period beyond this to the end of the year are discussed.

Housing and Environmental Services

- 5.5. *Current operating model: mid-March to end of May*
- Housing officers all working from home
 - Call centre staff all working from home
 - Priorities have been welfare calls, referrals for food distribution and supporting tenants who have had difficulties paying their rent, eg phone/online benefits advice

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

5.6. *Potential operating model: June to September*

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

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

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

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

Factoring

- 5.12. [redacted]
- 5.13. *Potential operating model: June to September*
- Staff continue to work from home
 - Call centre staff continue to work from home
 - Income protection, welfare calls, food distribution and benefits support remain high priorities for outbound calling
 - Common repairs resume where it is easier to observe social distancing, including planned owner-led projects already funded by customers.
- 5.14. The approach to factoring would generally align with the housing and environmental mode. As Board are aware our factored properties are managed by YourPlace with the repairs service being delivered by Dunedin Canmore.

Repairs, investment and building safety compliance in existing stock

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

- Life and limb repairs only (ie those which protect customer health and safety)
- All major capital investment work suspended, including smoke and heat detector installation
- Void work carried out by Dunedin Canmore trades operatives only where the properties are required for homeless customers or to reduce hospital bed-blocking
- Fire risk assessments suspended
- Gas servicing not enforced where customer refuses

5.16. *Potential operating model: June to September*

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

5.17. With the resumption of letting, ensuring we can catch up with the inevitable initial spike in activity will be important. This will mean we need more repairs operatives working on getting void properties into lettable condition. Even during lockdown, we have experienced around 1-2 people giving up their tenancy each week, generally to move in with family or due to other personal circumstances. Our repairs operatives have continued to work through phase 1 albeit on a restricted service and have PPE and amended risk assessment processes appropriate for their activities. It will be necessary to return some currently furloughed repairs operatives to work.

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

5.19. We have continued with our fire safety checks in our retirement complexes, but we anticipate resuming our programme of fire risk assessments. These are typically carried out by a single assessor, and form an important part of keeping our customers safe. Similarly, while we have been using our best endeavours to ensure customers have gas servicing carried out within the legal 12-month timeframe, we have not been enforcing this since late March in cases where

customers repeatedly refuse entry. This would change to an enforced provision.

New build development

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

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

5.21. *Potential operating model: June to September*

- Activity may resume, subject to enforcement of social distancing

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

Back-office support services

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

- All working from home

5.24. *Potential operating model: June to September*

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

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

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

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

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

Governance

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

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

- 5.30. *Potential operating model: June to September*

- Continuation of current arrangements

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

6. Key issues and conclusions

- 6.1. Between now and the potential point of an assuming easing of restrictions, whether it be June or slightly later, there are a number of preparatory tasks to be completed. These include:

- An examination of all policies and procedures that require face to face contact and an assessment of how these need to be changed to function in the “new normal” to which the Scottish Government has referred
- A new housing allocation process needs to be designed, taking into account the considerations discussed above
- Plans need to be implemented for how offices will be reconfigured to allow minimum 2-metre social distancing and other infection control procedures to be put into effect (noting a very limited number of staff will be using our offices), with operational health and safety procedures manuals updated accordingly
- A new annual leave policy to be developed, and working principles to be defined for those who may have children involved in partial attendance at school
- A more systematic “audit” of home working arrangements to identify where improvised home set-ups are inadequate, and personalised support to address this (eg video consultations by health & safety team, issue of work chairs, monitors etc)
- A new strategy for new build tendering, informed by the condition of the construction market and costs/prices;

- Gas servicing - planning for the catch up so we can achieve 100% compliance with the 12-month rule as soon as possible
- Voids – prioritising the workflow, with those requiring least work to be done first
- Planning the workforce requirements for the phase 2 operating model - for example, the number of trades operatives and mobile housing officers required
- A comprehensive communication strategy will need to be developed for all staff, customers and stakeholders to explain clearly what our phase 2 model is, and why and how we will restart certain services

6.2. We currently have 46 members of staff directly on furlough, and services we draw from across the Group have staff furloughed. This is generating significant income; helping offset, at least temporarily, the increase in rent arrears. Prior to agreeing any return to work for furloughed, we will test the “business case” for each area in the context of the service model set out in this paper. Each area of the business will need to set out their proposals in the following template:

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

- 6.3. In light of the above proposals, it will be important that the staff who are “reactivated” to work in restarted activities feel confident that they are doing so in line with Scottish Government advice, and are supported properly with personal protective equipment and any other help they need to do their jobs.
- 6.4. For that reason, Wheatley Group will use their role on the National Housing Resilience Group, as well as other contacts with the Scottish Government to make the case that a wider group of staff should be designated as “key workers” moving into the next phase of the country’s pandemic response. This would include, but not be limited to:
- Housing officers
 - Legal staff involved in court processes
 - IT staff key to supporting permitted activity
- 6.5. Staff on this list of phase 2 key workers will also be issued with letters confirming their status to allow them to travel to and from their place of work in the event of being stopped and challenged by the police.

- 6.6. Looking beyond September to the end of the year, and without a widely available vaccine, it is unlikely that we will be experiencing a return to full “normal” business operations. Other activities that we will need to carry out in the coming months therefore include:
- An assessment of how our service model stood up to the current environment, and what lessons can be learned from this;
 - Linked to this, a review of our 2025 strategy, including areas such as our approach to office accommodation, remote working and new build targets (noting we have significantly accelerated parts of this through our current home working arrangements);
 - An evaluation of how effective our stakeholder management has been and what lessons can be learned from our experiences;
 - How we continue to support our most vulnerable customers, including those who may be on the shielding list for some time to come

7. Value for money implications

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

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

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

10. Implementation and deployment

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

11. Partnership implications

- 11.1 As set out in the report, we continue to work with partners as part of our ongoing approach to service delivery.

12. Equalities impact

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

13. Recommendations

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

Report

To: Dunedin Canmore Housing Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

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

Date of Meeting: 28 May 2020

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

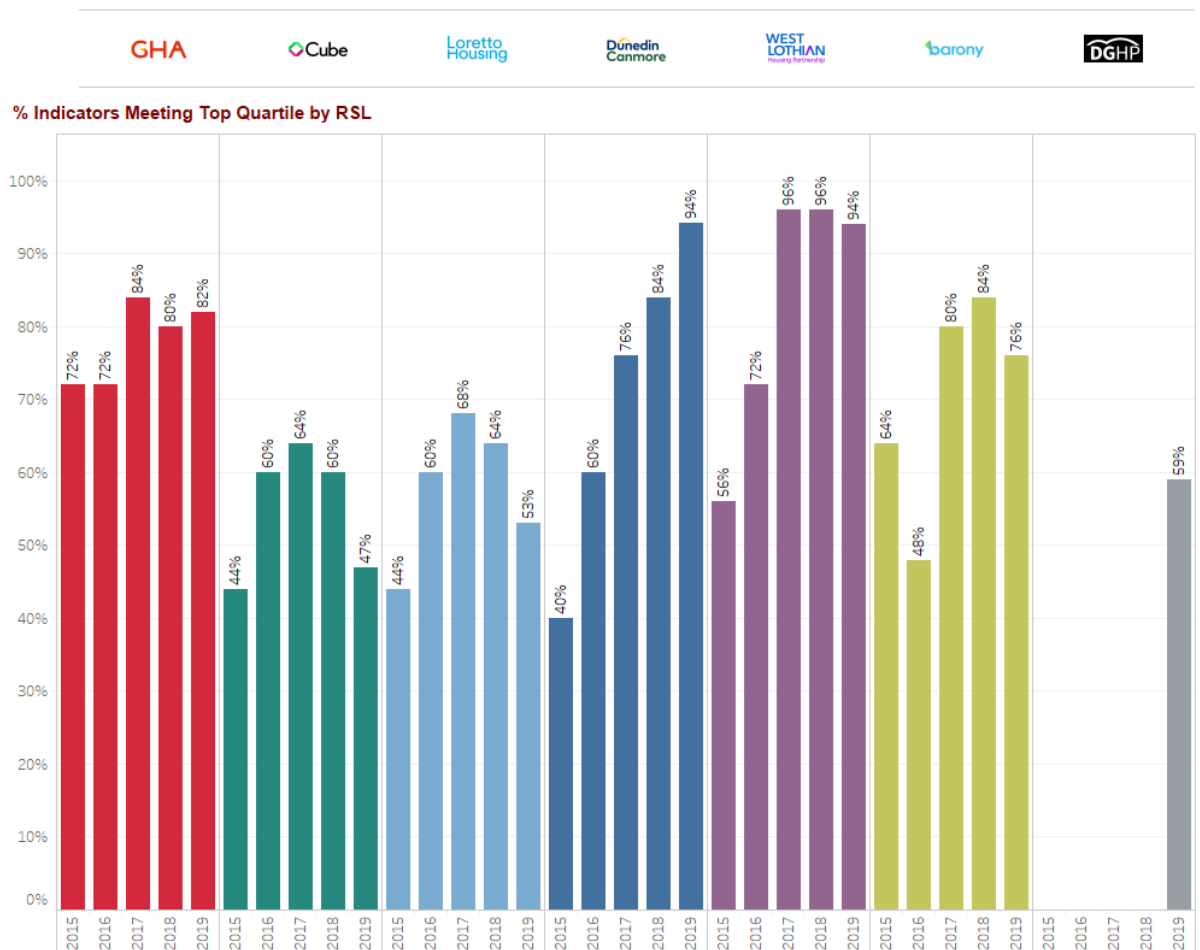
- 3.1 Our agreed Group risk appetite in relation to Board Governance is "cautious". This level of risk tolerance is defined as *"Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward"*.

4. Background

- 4.1 Social landlords are responsible for meeting the standards and outcomes set out in the Charter and are accountable to their tenants and customers for how well they do so. The Charter is part of the Scottish Housing Regulator's assessment of how these outcomes are being met. All RSLs and local authority housing services are required to complete the Charter indicators and submit these by 31 May each year.
- 4.2 Due to COVID19, this deadline has been extended to 31 July 2020. Results for all organisations will be published on the Scottish Housing Regulator ("SHR") website later in the year; we are awaiting confirmation of when this will be. These enable tenants and others to compare results between organisations. Benchmarking of performance will be reported to a future meeting once wider information is available.

5. Dunedin Canmore Performance in 2019-20

- 5.1 The key strategic aim in terms of RSL performance across the Group is to demonstrate excellent performance by ensuring that 80% of Charter indicators are at top quartile levels by the end of the strategy timescale in 2019/20.
- 5.2 We have shown strong and continuous improvement, over the duration of the Investing in our Futures strategy, delivering sector leading performance.
- 5.3 The graph below shows progress to top quartile for each Subsidiary. This shows that we have exceeded the strategic target 80% of ARC indicators at top quartile level as set out in the 2015-2020 "Investing in our Futures" strategy, reaching just over **94%** of indicators in the top quartile, the highest result across all group subsidiaries.



Appendix 1 shows the draft final results for submission in the ARC.

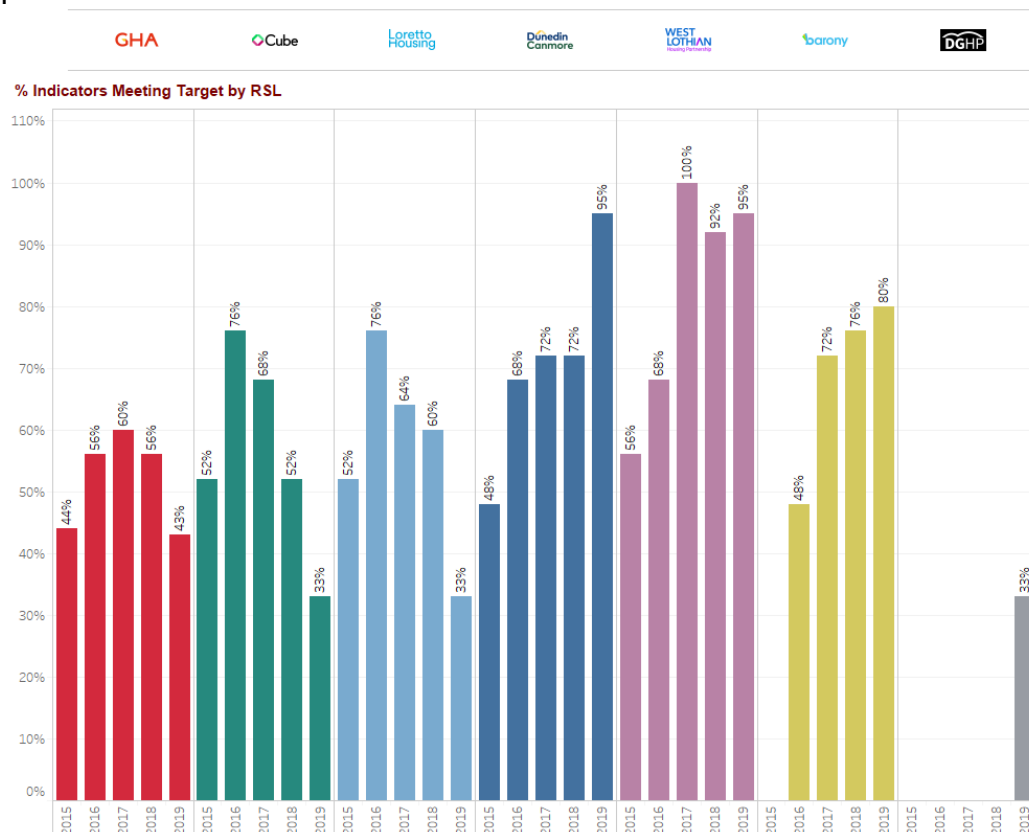
5.4 The improvements throughout the lifetime of the strategy have been remarkable year on year, the indicators which have improved since last year are;

- % Annual tenants satisfied with the overall service
- % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions
- % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes
- % Stock meeting the Scottish Housing Quality Standard (SHQS).
- % Annual existing tenants satisfied with the quality of their home
- Average time to complete emergency repairs (hours)
- Average time to complete non-emergency repairs (working days)
- % Tenants satisfied with repairs or maintenance carried out in last 12 months
- % Annual tenants who feel that the rent for their property represents good value for money
- % Gross rent arrears
- Average length of time taken to re-let properties (calendar days)

5.6 Although Gross Rent Arrears did not meet top quartile, the 4.08% result exceeded the agreed target of 4.30%

5.7 Each year the Board approves targets to either maintain current good performance or to stretch performance to meet or exceed top quartile. We have met **19 of the targets set for the 20 measures** for 2019/20. The 1 remaining target which sits within the amber variance of 0-10% of the target is indicator 26. Rent collected as % of total rent due, narrowly missing target with a result of 99.18% against 99.70%. Most of our targets were set at or above the top quartile benchmark.

5.8 The graph below shows how this compares to other parts of the Group. However, it should be noted that each Subsidiary has targets set to its own performance context.



6 Customer Satisfaction

- 6.1 The 2018/19 overall satisfaction results had decreased significantly from the previous year by 7%. In March 2019 the Board were presented with customer satisfaction results including an improvement strategy and throughout 2019 action points were undertaken as discussed below.
- 6.2 **Understanding our customers better** – the Housing and Investment teams accelerated engagement with our customers particularly those residing within our pre 1919 properties in the Pentland area. Locality events took place and focus groups were set up. This provided us with a richer insight to previous dissatisfaction. Some customer feedback included; communal stairs – customers felt the stair lighting was poor and unwelcoming. Through this method of engagement and by listening to our customers, we were able to co-create the action plan, resolving a number of concerns. Stonework and roof refurbishment projects were completed, enhancing the living environments of our customers. In addition to this, we carried out improvements to the back and rear common garden areas; painting of front doors and railings; controlled entry systems; LED lighting; and doors.
- 6.3 We introduced residents' meetings last year to discuss improvements to Rosemount Buildings. Customers have commented that they feel 'listened to'. Together with customers, Community Improvement Partnership colleagues and local representation from Police Scotland, there has been resolution brought to major ongoing antisocial behaviour which was the main issue that many customers had. Since addressing these concerns, there has been an impressive impact on community cohesion, with neighbours helping each other and using the garden space more frequently.
- 6.4 Successful community events took place in the Dunlaw Wynd area. We were able to address a number of complaints concerning stair cleaning, grass cutting and other environmental issues. After completing a community project with the customers to fence the area off and install new clothes lines, we invited our customers out to the communal garden area to meet our NETs teams and investment officers alongside staff including our repairs team. We also invited the local MP along. Customers helped us with suggestions on improvements to the service and their communities. The result of this community event reduced the complaints in the area significantly as well as enabling 2 customers the opportunity to join the Changing Lives programme with one now being employed as a full time member of staff. It also highlighted other areas of improvement allowing us to shape future improvement plans.
- 6.5 **Changes to our services** – the new performance framework with our Neighbourhood Environmental Teams ("NETS") enabled closer working relationships with staff and customers. In November 2018 we had our first independent Keep Scotland Beautiful ("KSB") audit and scored an overall score of 84% 5 star (highest in Group) Training has since been carried out by KSB to housing staff and customers to explain in detail the scoring system and encourage customer participation. Using this method, NETs report the findings every month via Performance Management Framework that is then reported to our leadership team.

- 6.6 The indicators which have shown the most significant improvement from tenant satisfaction results are;
- % Annual tenants satisfied with the overall service – Increase of +9.32%
 - % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes – Increase of +8.68%
 - % Annual existing tenants satisfied with the quality of their home – Increase of 6.82%
- 6.7 **Overall Satisfaction** is exceeding top quartile benchmark with exceptional results of 96%. We had the most improvement to make on last year's results of 87%, the detailed action plan to improve on this has proven very successful. In terms of trend by area, Forth increased by **+5.03%** in this indicator while Pentlands increase was a remarkable **+13.19%**
- 6.8 **Satisfaction with the management of the neighbourhood (new indicator)** is at 89% and our baseline marker. This has been achieved through close working relationships with our NETS colleagues, focus groups and locality events, gaining greater customer insight and working with customers in KSB assessments and patch 'walk abouts'
- 6.9 **Lettable homes becoming vacant** remains within target at 7.29% and exceeding top quartile benchmark of 7.33%
- 6.10 **Rent as value for money** exceeds top quartile at 88%, an increase from 85% last year.
- 6.11 **Rent collected** is an unusual measure in that it is higher where organisations are recovering historic levels of high arrears. As a result, this is generally lower where existing good arrears levels are being maintained. This measure has not been included in the top quartile benchmarking because it tends to worsen where RSLs have better arrears levels. Our results in this indicator are 99.18%
- 6.12 **Gross rent arrears** has been a challenge to all subsidiaries, the impact on Universal Credit has been very complex for customers to negotiate. We had a very challenging target of 4.30%. With the dedication of the housing team, wrap around services, money advice and tenancy sustainment focus, we exceeded this target with a year end result of 4.08% - a rounding formula has been used within the draft ARC results detailed in **Appendix 1** of this paper and presents as 4.1%
- 6.13 **Rent lost through properties being empty** generally links to performance in days to let properties. Our results in average days to let properties has improved from last year to 9.68 days against a 12-day target and well within top quartile benchmark of 17.31days
- 6.14 **Reactive repairs right first time** has declined slightly from last year's result 96.82% and continues to exceed top quartile benchmark.

7 Key issues and conclusions

- 7.1 This report provides the year end performance results. It sets out the actions and achievements over the reporting year of 2019/2020 and outlines the success in meeting and exceeding the strategic targets set out in the 2015/2020 Investing in our futures strategy.

8 Value for money implications

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

9. Impact on financial projections

- 9.1 No implications.

10. Legal, regulatory, and charitable implications

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

11 Partnership implications

- 11.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened or amended to help us achieve our strategic vision.

12 Implementation and deployment

- 12.1 Not required.

13. Equalities impact

- 13.1 There is no direct equalities impact from this report.

14 Recommendations

- 14.1 The Board is asked to:
- 1) Approve the draft 2019/20 Charter results;
 - 2) Note the detail of activity involved in the performance results achieved;
 - 3) Delegate authority to the Group Director of Housing and Care to sign off any non-material changes to the results which may be required prior to submission; and
 - 4) Delegate authority to the Group Director of Housing and Care to sign off the Charter and EESSH submissions on behalf of the Governing Body.

List of Appendices

Appendix 1: 2019/20 Draft ARC results

| Dunedin Canmore Charter Indicators | 2018/19 Results | 2019/20 Draft Results | 19/20 Target | TQ |
|---|-----------------|-----------------------|---------------|--------|
| ARC survey questions measured annually No new factoring satisfaction survey in 2019/20 - DC factoring survey is 2017/18 | | | | |
| 01. % Annual tenants satisfied with the overall service | 87% | 96% | 91% | 91% |
| 02. % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions | 93% | 95% | 93% | 93% |
| 03. % Complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall | New | 98.49% | Baseline Year | |
| 04. Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 - Overall | New | 4.88 | Baseline Year | |
| 05. % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes | 85% | 94% | 90% | 86% |
| 06. % Stock meeting the Scottish Housing Quality Standard (SHQS). | 99.72% | 99.77% | 99.64% | 97.28% |
| 07. % Annual existing tenants satisfied with the quality of their home | 89% | 95% | 90% | 89% |
| 08. Average time to complete emergency repairs (hours) | 2.62 | 1.76 | 3 | 4.04 |
| 09. Average time to complete non-emergency repairs (working days) | 5.1 | 5.09 | 5.5 | 8.49 |
| 10. % Reactive repairs completed right first time | 96.93% | 96.82% | 95% | 94.92% |
| 11. Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of | New | 0 | 0 | |
| 12. % Tenants satisfied with repairs or maintenance carried out in last 12 months | 93% | 95% | 93% | 92% |
| 13. % Annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in. | New | 89% | Baseline Year | |
| 14. % Tenancy offers refused during the year | 12% | 13% | 21% | 22% |
| 15. % Anti-social behaviour cases reported in the last year which were resolved. | New | 100% | Baseline Year | |
| 16. % New tenancies sustained for more than a year - overall | 95.45% | 93.79% | 93.0% | 92.44% |
| 17. % Lettable houses that became vacant | 6.82% | 7.29% | 8% | 7.33% |
| 18. % Rent due lost through properties being empty | 0.24% | 0.39% | 0.44% | 0.44% |
| 19. Number of households currently waiting for adaptations to their home. | New | 6 | Contextual | |
| 20. Total cost of adaptations completed in the year by source of funding (£). | New | £106,039 | Contextual | |
| 21. Average time to complete approved applications for medical adaptations (calendar days) | 7.56 | 8.26 | 25 | 36.34 |
| 22. % Court actions initiated which resulted in eviction - overall | 82.61% | 35% | 25% | |
| 23a. % Referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer | New | 85.71% | Baseline Year | |
| 23b. % Offers made to LA Section 5 and other referrals for homeless households that result in a let. | New | 87.04% | Baseline Year | |
| 25. % Annual tenants who feel that the rent for their property represents good value for money | 85% | 88% | 83% | 83% |
| 26. Rent collected as % of total rent due | 99.53% | 99.18% | 99.70% | |
| 27. % Gross rent arrears | 4.3% | 4.1% | 4.3% | 3.5% |
| 28. Average annual management fee per factored property. | £162.83 | £181.42 | Contextual | |
| 29. % Annual owners satisfied with the factoring service | 87% | 87% | Not set | |
| 30. Average length of time taken to re-let properties (calendar days) | 10.15 | 9.68 | 12 | 17.31 |
| Meeting Top Quartile | | | | 94% |



Report

To: Dunedin Canmore Board

By: Morgan Kingston, Finance Manager - Dunedin Canmore

Approved by: Pauline Turnock, Director of Financial Reporting

Subject: Finance Report for the period to 30 April 2020

Date of Meeting: 28 May 2020

1. Purpose

- 1.1 The purpose of this report is to provide the Dunedin Canmore Board with an overview of the management accounts for the period to 30 April 2020, seek approval for the 2020/21 Budget and provide a summary of the full year to 31 March 2020.

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore ("DCH") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DCH Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.
- 2.2 This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

3. Risk Appetite and assessment

- 3.1 Our agreed risk appetite in Dunedin Canmore Performance against Group 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".

4. Background

- 4.1 This report outlines performance against budget for April 2020, the full year to 31 March 2020 and includes a summary of the Budget 2020/21 for approval.
- 4.2 The appendices provide more detail on the financial results.

5. Discussion

Finance Report for Period to 30 April 2020

5.1 Dunedin Canmore has reported a statutory surplus of £104k for the period to 30 April 2020, which is £27k favourable to budget.

Key points to note:

- The original budget presumed that the units transferring from Barony HA would do so on 1 April 2020. As this transfer has not yet occurred and a number of the variances in the year to date relate to expected income and costs from the Barony HA units that have not yet transferred.
- Net rental income is reporting a £89k adverse variance of this, £80k relates of to the units which were expected to be transferred from Barony. The remaining variance reflects lower than expected new build completions in P12 of 2019/20 due to the Scottish Government instruction to close all construction sites on 23 March.
- Other income is reporting an adverse variance of £156k to budget. The main element of this variance is attributable to DC Property Services (“DCPS”). Due to the operation of a “life and limb” repairs service, there has been a lower level of recovery of DCPS staff against repair jobs, which has resulted in unrecovered costs in the service of £139k with is £145k lower than budget in the month.
- The lower level of repairs activity is linked through to lower reported costs through the repairs line in Dunedin Canmore which reports a saving of £179k. The underlying repairs position taking into account the £145k variance on cost recovery in DCPS along with repairs savings in the other RSLs that DCPS services (Barony £10k and West Lothian Housing Partnership £30k), leaves a net saving in repairs in the East subsidiaries of £74k in total. The volume of reactive repair jobs in 57% lower than the same period last year.

5.2 Dunedin Canmore has reported net capital expenditure of £252k for the period to 30 April 2020, which is £403k lower than budget. Key points to note are :

- New build spend is reporting spend £865k lower than budget, as a result of the Scottish Government instruction to close all construction sites on 23 March. No grant income has been claimed received in the year to date.
- The core investment programme reports spend £227k lower than budget, with a number of investment works being postponed in April. A revised programme is being developed and is subject to the timing and nature of any relaxation of the lockdown.

6. Budget 2020/21

6.1 The 2020/21 budget is presented within Appendix 1 and tracks comparative figures from the financial projections to the 2020/21 budget as well as the 2019/20 actuals to give the context of the year on year changes. The 2020/21 budget is aligned to the financial projections approved by the Board in February 2020.

- 6.2 The 2020/21 budget reports an operating surplus of £9,457k, and a statutory surplus of £1,579k, both in line with approved financial projections.
- 6.3 The operating and statutory surpluses are lower than the 2019/20 outturn as no grant income has been included in the budget reflective of the next round of new build completions is not due until 2021/22.
- 6.4 Net rental income of £29,791k is in line with financial projections and reflects the agreed 3.4% rent increase and includes a prudent void assumption of 1.2%. It is £1,992k higher than 2019/20 forecast, due to the additional new build properties completed during 2019/20, and the budgeted transfer of over 100 properties from Barony HA.
- 6.5 Other income includes lease income from Lowther Homes for our mid-market (“MMR”) properties, the net result at DC Property Services (“DCPS”), commercial and supporting people income at the Harbour. The increase of £442k from the 2019/20 forecast is driven by the increased MMR lease income from properties completed during 2019/20.
- 6.6 Direct employee costs of £4,667k are broadly in line with the 2019/20 outturn. This variance is primarily due lower Property Services management costs offset with the staff cost of living increase.
- 6.7 Direct running costs are budgeted at £3,398k, in line with financial projections. The budget includes £226k of initiative spend, including a donation to the Wheatley Foundation. The majority of the budget covers office and property running costs, including insurance and property rental costs. The increase of £373k from the 2019/20 outturn largely reflects additional costs associated with the transfer of properties from Barony HA as well as an inflationary increase.
- 6.8 Budgeted revenue repairs and maintenance expenditure of £4,279k is in line with financial projections. Increased expenditure in 2020/21 reflects the additional units transferred from Barony HA as well as an inflationary uplift in cost, and additional budget provision linked to additional stock numbers.
- 6.9 Within investment expenditure, the budget reflects total capital investment of £29,712k across our existing properties, new build development programme and DC’s share of Group ICT capital investment.

7. Full year to 31 March 2020

- 7.1 A summary of the full year to 31 March 2020 is presented within Appendix 1 and reports a statutory surplus of £10,123k which is £8,824k adverse to budget, primarily driven by the timing of the recognition of grant income. Excluding grant income our underlying statutory surplus was £918k which is £608k favourable to budget.

Key points to note:

- A strong letting performance for the year resulted in a £102k favourable variance on the net rental income line. Void losses for the year were 0.7% against a budget of 1.1%.

- Grant income recognised in the year of £9,205k relates to the completion of units at Ravelrig Road, North Berwick, Greendykes, Aberlady, Lang Loan and Gullane. The adverse variance of £9,431k has arisen following completions which were budgeted in the current year but were accelerated and actually handed over in 2018/19. In addition, it was expected that over 100 properties would be handed over in period 12 but due to the closure of construction sites only 18 units were completed in March 2020.
- Repairs and maintenance costs are £48k favourable to budget. Reactive repair spend is £240k adverse to budget but this is offset by lower levels of cyclical spend which are £287k favourable to budget. The number of reactive repair jobs has increased by 10% year on year and is driven by customer demand.
- Bad debt cost is £145k lower than budget which was set on a prudent basis to make additional provision for the rollout of Universal Credit. An incremental provision for arrears linked to tenants who have migrated onto Universal Credit during the year of £42k has also been applied.

7.2 Dunedin Canmore has reported net capital expenditure of £20,610k for the period to 31 March 2020, which is £2,220k higher than budget. Key points to note are:

- The variance of £4,749k on the investment income line relates to the timing of grant claims only. Additional grant was claimed and received early, in Q4 of 2018/19. The biggest in year variance relates to South Gilmerton where acquisition took longer than expected. Income of £1,557k has been received in the year against a budget of £3,749k. This compares to the spend for this site which is below budget also.
- Investment expenditure on existing properties is £136k higher than budget. The core investment programme is reporting a favourable variance of £38k but this is offset by higher than budgeted void costs.
- New build spend of £18,991k is £3,015k behind budget. Lower levels of spend is reported across several sites. The largest variance relates to South Gilmerton.

8. Value for Money implications

8.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. Dunedin Canmore has reported a statutory surplus to 30 April of £104k which is £27k favourable to budget.

9. Impact on financial projections

9.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting. No material changes have been noted since this date.

10. Legal, regulatory and charitable implications

10.1 No implications.

11. Equalities impact

11.1 Not applicable.

12. Recommendation

12.1 The Board is requested to:

- 1) note the management accounts for the period to 30 April 2020 and the full year to 31 March 2020; and
- 2) approve the proposed 2020/21 Budget.

LIST OF APPENDICES

Appendix 1: Finance report - year to 30 April 2020 including summary full year results to 31 March 2020 and Budget 2020/21



Period to 30 April 2020 Finance Report

1) Period 1 – Operating Statement

| | Year to 30 April 2020 | | | Full Year |
|--|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INCOME | | | | |
| Rental Income | 2,433 | 2,521 | (88) | 30,153 |
| Void Losses | (31) | (31) | (0) | (363) |
| Net Rental Income | 2,402 | 2,490 | (89) | 29,791 |
| HAG Recognised in the Year | 0 | 0 | 0 | 0 |
| Other Income | 68 | 223 | (156) | 2,853 |
| TOTAL INCOME | 2,469 | 2,714 | (244) | 32,643 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 371 | 389 | 18 | 4,667 |
| ER/VR | - | - | - | - |
| Employee Costs - Group Services | 127 | 140 | 13 | 1,679 |
| Direct Running Costs | 318 | 338 | 20 | 3,398 |
| Running Costs - Group Services | 82 | 89 | 7 | 1,071 |
| Revenue Repairs and Maintenance | 158 | 338 | 179 | 4,279 |
| Bad Debts | 25 | 24 | (1) | 290 |
| Depreciation | 632 | 650 | 18 | 7,801 |
| TOTAL EXPENDITURE | 1,714 | 1,968 | 254 | 23,186 |
| NET OPERATING SURPLUS / (DEFICIT) | 755 | 746 | 9 | 9,457 |
| <i>Net Operating Margin</i> | 31% | 27% | 3% | 29% |
| Interest receivable | 1 | 1 | - | 13 |
| Interest payable | (652) | (670) | 18 | (7,891) |
| STATUTORY SURPLUS / (DEFICIT) | 104 | 78 | 27 | 1,579 |

Key highlights year to date:

- Net operating surplus of £755k is £9k favourable to budget. Statutory surplus for the period to 30 April is £104k, £27k favourable to budget.
- The original budget presumed that the units transferring from Barony HA would do so on 1 April 2020. As this transfer has not yet occurred, a number of the variances in the year to date relate to expected income and costs from the Barony HA units that have not yet transferred.
- Net rental income is reporting a £89k adverse variance of which, £80k relates to the units expected to be transferred from Barony and the remaining variance reflects lower than expected new build completions in P12 of 2019/20 due to the Scottish Government instruction to close construction sites at 23 March.
- Other Income is £156k adverse to budget. This is largely as a result of DC Property Services ("DCPS") generating a loss of £139k in the YTD against a budgeted profit of £6k. In addition, MMR lease income is lower than expected due to lower than expected completions in P12 of 2019/20.
- Total expenditure is £254k favourable to budget. Of this variance £57k relates to Barony expenditure which as not yet been transferred. Staff costs include a claim of £24k from the Job retention scheme.
- The largest favourable variance relates to repairs and maintenance costs which are £179k favourable to budget. Of this variance £10k relates to Barony and the remaining variance is a result of the current 'life and limb' operating model which has resulted in lower than expected costs. The volume of reactive repair jobs is 57% lower than the same period last year.
- Interest expenditure is £18k favourable to budget, due to the timing of funding drawdowns and preferential rates achieved. Borrowings are linked to the new build and core investment programmes.
- Investment expenditure on existing properties is £255k lower than budget. Of this variance £28k relates to Barony and the remaining variance reflects the postponement of a number of work types in the investment programme in April.
- New build spend of £52k is £865k behind budget as a result of site closures.

| | Year to 30 April 2020 | | | Full Year |
|--|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INVESTMENT | | | | |
| Total Capital Investment Income | - | 719 | (719) | 15,135 |
| Total Expenditure on Core Programme | 198 | 453 | 255 | 5,437 |
| New Build & Other Investment | 52 | 916 | 865 | 23,925 |
| Other Capital Expenditure | 1 | 4 | 3 | 350 |
| TOTAL CAPITAL EXPENDITURE | 252 | 1,373 | 1,122 | 29,712 |
| NET CAPITAL EXPENDITURE | 252 | 654 | 403 | 14,577 |

2) Period 1 - Property Services Operating Statement

| | Year to 30 April 2020 | | | Full Year Budget £ks |
|----------------------------------|-----------------------|---------------|-----------------|-------------------------|
| | Actual £ks | Budget £ks | Variance £ks | |
| INCOME | | | | |
| Internal Subsidiaries | 415 | 967 | (552) | 11,883 |
| External Customers | 0 | 18 | (18) | 219 |
| TOTAL INCOME | 415 | 986 | (571) | 12,102 |
| COST OF SALES | | | | |
| Staff | 180 | 307 | 127 | 3,686 |
| Materials | 23 | 257 | 234 | 3,344 |
| Subcontractor & Other Costs | 206 | 225 | 19 | 2,700 |
| TOTAL COST OF SALES | 410 | 789 | 380 | 9,729 |
| GROSS PROFIT/(LOSS) | 5 | 196 | (191) | 2,373 |
| Margin % | 1% | 20% | -19% | 20% |
| Overheads | 144 | 191 | 46 | 2,288 |
| NET PROFIT/(LOSS) | (139) | 6 | (145) | 85 |
| | Actual % | Budget % | Variance % | |
| Billable Work | 21.0% | 79.5% | -58.5% | |
| Travel Time | 3.5% | 11.2% | -7.7% | |
| Sick Leave | 2.0% | 3.8% | -1.8% | |
| Multi-Operative College Training | 0.0% | 1.4% | -1.4% | |
| Stocktake | 0.0% | 0.2% | -0.2% | |
| Internal Meetings | 0.0% | 0.8% | -0.8% | |
| Specific Identified Training | 0.0% | 1.1% | -1.1% | |
| Van Allowance | 0.1% | 0.2% | -0.1% | |
| Special Leave | 1.8% | 0.7% | 1.1% | |
| Covid 19 Down-time | 48.3% | 0.0% | 48.3% | |
| Covid 19 Isolation | 6.2% | 0.0% | 6.2% | |
| Covid 19 leave of absence | 15.4% | 0.0% | 15.4% | |
| Other | 1.7% | 1.1% | 0.6% | |
| TOTAL | 100.0% | 100.0% | 0.0% | |

Classified as Internal

Key highlights year to date:

- In the year to 30 April the workshop is reporting a deficit of £139k, £145k lower than budget. It should be noted that whilst the workshop has made a loss, there are significant savings against budget for repairs within Dunedin Canmore (£179k), Barony (£10k) and WLHP (£30k) totalling £219k subsidiaries leaving a net saving in repairs costs after taking account of the loss in property services of £74k.
- Income of £415k in the year is £571k adverse to budget which is a result of the current “life and limb” operating model which has reduced activity passed to property services.
- Correspondingly, cost of sales are reporting a £380k favourable variance to budget. Staff costs within cost of sales of £180k include the £65k claimed from the Coronavirus Job Retention Scheme.
- Gross profit of £5k is £191k adverse to budget.
- Overhead expenditure includes vehicle rent and running costs, rates, insurance and other staff and office related costs. These are £46k favourable to budget for the year. Employee costs reported within overheads are £21k favourable to budget as a result of the claim we have made against the Coronavirus Job Retention Scheme.

Staff Utilisation

- The labour rate charge assumes a staff “utilisation” rate of 79.5%, after stripping out holiday allowance i.e. 79.5% of an operative’s time should be delivering repairs to customers. The remaining 20.5% allowance is for travel, training, sickness, and other downtime requirements.
- Billable work for period 1 is 21%, 58.5% lower than budgeted assumptions.
- Down-time in relation to the Coronavirus epidemic accounts for 69.9% of all staff time. This includes 15.4% of time relating to employees who have been furloughed.

3) Period 1 – Dunedin Canmore Harbour

| | Year to 30 April 2020 | | | Full Year |
|--|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INCOME | | | | |
| Rental Income | 67 | 64 | 4 | 762 |
| Void Losses | (5) | (3) | (2) | (38) |
| Net Rental Income | 62 | 60 | 2 | 726 |
| Local Authority Contract Income | 30 | 30 | (0) | 361 |
| Other Income | 1 | 1 | 0 | 13 |
| TOTAL INCOME | 93 | 92 | 1 | 1,101 |
| EXPENDITURE | | | | |
| Employee Costs | 70 | 59 | (10) | 714 |
| Direct running Costs | 18 | 21 | 3 | 269 |
| Revenue Repairs and Maintenance | 1 | 4 | 3 | 36 |
| Bad Debts and Depreciation | 1 | 0 | (1) | 0 |
| TOTAL EXPENDITURE | 89 | 85 | (5) | 1,018 |
| NET OPERATING SURPLUS / (DEFICIT) | 3 | 7 | (4) | 82 |

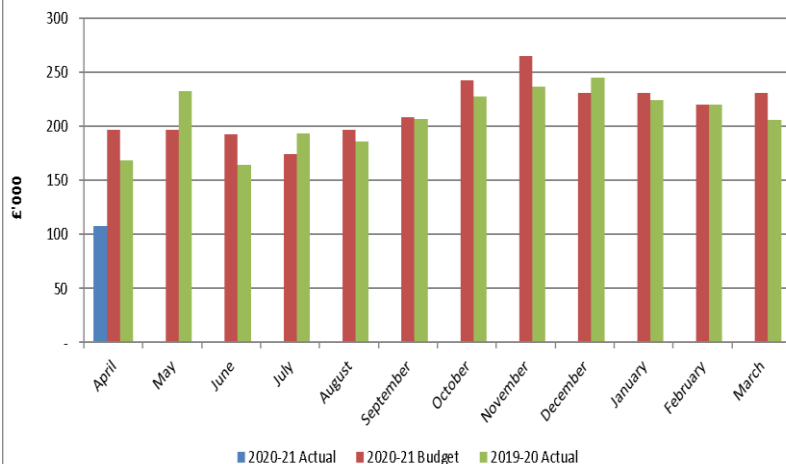
Key highlights year to date:

- Net operating surplus of £3k is £4k adverse to budget.
- Net rental income of £62k is £2k favourable to budget in the year to date.
- Employee costs of £70k are £10k adverse to budget. This is a result of higher than budgeted agency staff costs as well as 3 relief workers being offered 3 month temporary contracts. As a result of the Coronavirus outbreak a number of staff are either shielding and working from home or self-isolating and therefore additional resources have been required in order to maintain sufficient staffing levels.
- Running costs of £18k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £3k favourable to budget in the year to date.
- Repair and maintenance expenditure of £1k is £3k favourable to budget.

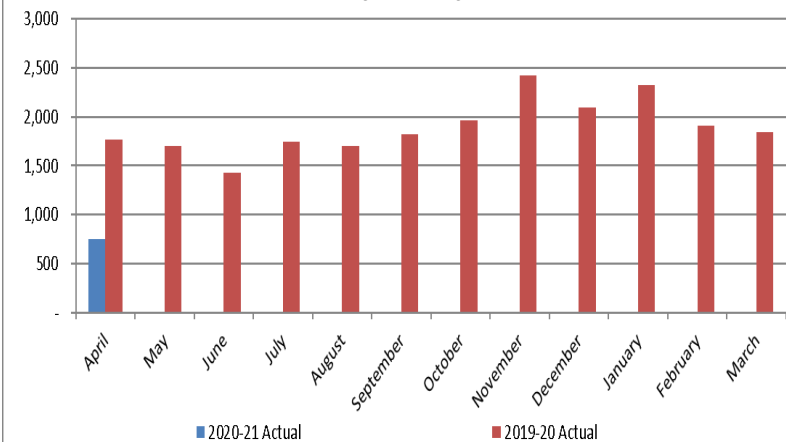
4) Management Information – Repairs

| | Year to 30 April 2020 | | | Full Year |
|----------|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| Reactive | 107 | 197 | 89 | 2,586 |
| Cyclical | 51 | 141 | 90 | 1,693 |
| | 158 | 338 | 179 | 4,279 |

Reactive Repair Spend per Month



Number of Reactive Repair Jobs per Month



Comments:

Reactive Repairs

- Reactive repairs spend in the year to 31 March is £107k against a budget of £197k, £89k favourable to budget.
- Given the current 'life and limb' operating model where only emergency repairs are completed it was expected spend would be significantly lower than budget.
- The volume of jobs is 57% lower than the same period in the prior year.

Cyclical Repairs

- Cyclical repairs spend of £51k has been incurred in the YTD, £90k favourable to budget.
- The main work-stream in the year has been gas servicing.

5) Management Information – Investment

| | Year to 30 April 2020 | | | Full Year |
|-------------------|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| Void | 13 | 59 | 46 | 708 |
| Major | 124 | 332 | 208 | 3,988 |
| Capitalised Staff | 61 | 66 | 4 | 791 |
| TOTAL | 198 | 457 | 259 | 5,487 |

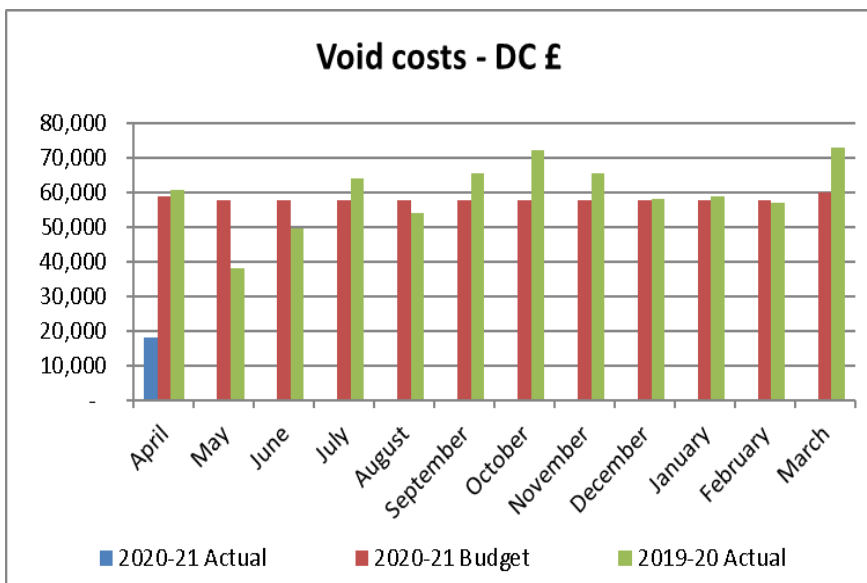
Comments:

Investment

- Major Repairs spend for the period to 30 April has been £124k against a budget of £332k, a favourable variance of £208k. Expenditure relates to high value certificates received in April (£60k) for work on our pre 1919 tenements, plus 2 emergency roof repairs (£40k) and capitalised repairs (£24k).
- The lower than budgeted expenditure reflects the current operating model as a result of the Coronavirus epidemic.
- Investment covers all areas of our properties and external environment.

Void repairs

- Void costs of £13k have been incurred to the end of period 1 against a budget of £59k. This is £46k favourable to budget. The spend mainly relates to work carried out on properties let to City of Edinburgh of Council and the underspend reflects the fact that routine void work is not currently being undertaken.
- Void costs, which include repairs and maintenance to extend the life of the properties, are capitalised in line with Group policy.



6) Management Information – New Build Programme

| Development Name | Year To Date (£'000) | | | FY Budget |
|----------------------------|----------------------|------------|--------------|---------------|
| | Actual | Budget | Variance | |
| ABERLADY | - | - | - | 34 |
| BEAVERBANK | 13 | - | (13) | 151 |
| BONNYRIGG | - | - | - | 74 |
| DUNDAS STREET | - | - | - | 75 |
| EDMONSTON | - | - | - | 147 |
| FASIDE | 1 | - | (1) | 0 |
| FOUNTAINBRIDGE | 10 | - | (10) | 82 |
| GAVIESIDE PH 1 | - | - | - | 230 |
| GREENDYKES | (1) | - | 1 | 323 |
| GREENDYKES PH5 | - | - | - | 46 |
| GULLANE | - | - | - | 61 |
| KIRKLISTON | - | - | - | 1,944 |
| LANARK RD | - | - | - | 22 |
| LANG LOAN | 1 | 68 | 67 | 159 |
| LONGNIDDRY | 5 | 108 | 104 | 900 |
| MACMERRY | - | - | - | 3,522 |
| NEWMILLS RD PH2 | - | 259 | 259 | 3,103 |
| NEWTONGRANGE | - | - | - | 33 |
| RAVELRIG ROAD | - | - | - | 75 |
| SOUTH GILMERTON | - | 452 | 452 | 5,080 |
| WALLYFORD PH 2 | - | - | - | 3,186 |
| WESTCRAIGS1 | 1 | - | (1) | 129 |
| WESTCRAIGS2 | 2 | - | (2) | 110 |
| WESTCRAIGS3 | - | - | - | 258 |
| WISP 3C | 13 | - | (13) | 3,834 |
| Capitalised staff costs | 6 | 29 | 23 | 348 |
| Total Cost | 52 | 916 | 865 | 23,925 |
| Grant Income | 0 | 719 | (719) | 15,135 |
| Net New Build Costs | 52 | 197 | 145 | 8,790 |

Capital Investment Income

- Grant income (“HAG”) reported within the capital budget represents the cash received in the year to date. It is only recognised in the Income and Expenditure (“I&E”) account as HAG Income upon completion of the properties.
- No grant income has been received in the year to date as a result of all sites being closed.

New Build

- Expenditure of £52k is £865k lower than budget., this is in line with expectations given the fact that all sites are currently closed.

7) Balance Sheet

Period 1

| | 30 April 2020 £'000 | 31 March 2020 £'000 |
|--|------------------------|------------------------|
| Fixed Assets | | |
| Social Housing Properties | 336,506 | 336,888 |
| Other Fixed Assets | 6,413 | 6,411 |
| Investment Properties | 21,520 | 21,520 |
| | <u>364,439</u> | <u>364,819</u> |
| Current Assets | | |
| Stock | 368 | 334 |
| Trade & Other Debtors | 5,665 | 5,918 |
| Cash & Cash Equivalents | 1,408 | 4,273 |
| | <u>7,441</u> | <u>10,525</u> |
| Creditors: within 1 year | | |
| Trade Creditors | (318) | (306) |
| Accruals & Deferred Income | (14,564) | (14,792) |
| Prepayments of Rent and Service Charge | (1,175) | (1,086) |
| Other Creditors | (35) | (47) |
| Amounts due to Group Undertakings | (4,000) | (3,930) |
| | <u>(20,092)</u> | <u>(20,161)</u> |
| Net Current Liability | <u>(12,652)</u> | <u>(9,636)</u> |
| Long Term Creditors | | |
| Loans | (33,162) | (33,162) |
| Amounts due to Group Undertakings | (131,345) | (134,845) |
| Pension Liability | (3,469) | (3,469) |
| | <u></u> | <u></u> |
| Net Assets | <u>183,811</u> | <u>183,707</u> |
| Capital and Reserves | | |
| Share Capital | - | - |
| Revenue Reserve | 183,811 | 183,707 |
| | <u></u> | <u></u> |
| Association's funds | <u>183,811</u> | <u>183,707</u> |

Comments:

- The balance sheet as at 31 March 2020 has been updated to reflect the period 12 management accounts.
- The value of our **fixed assets** have decreased by £0.4m in the year to date. This is due to £0.25m of investment expenditure less depreciation of £0.63m.
- Trade & other debtors** of £5.7m include an intercompany balance of £1.9m and net rent arrears of £0.5m (after bad debt provision).
- Cash at Bank** – At 31 March Dunedin Canmore had £1.4m in the bank and has access to draw down further funding from WFL1 as and when required.
- Short-Term Creditors** – Amounts due within one year of £20.1m includes £4.0m due to other Wheatley entities and £14.6m in accruals and deferred income. The remaining balance includes rent received in advance from our tenants, trade and other creditors (factoring deposits and payroll creditors).
- Loans** of £164.5m relate to funding drawn down from WFL1, and external funding of £33.2m due to THFC and Allia (inclusive of rolled up interest charges). In the year to 30 April no additional funding has been drawn.

8) Operating Statement – Budget 20/21

| | 2019/20 | 2020/21 | 2020/21 | 2020/21 |
|--|------------------|--------------------------------|---------------|---------------------------------|
| | Full year £ks | Financial Projection £ks | Budget £ks | Budget Variance to FP £ks |
| INCOME | | | | |
| Rental Income | 28,002 | 30,153 | 30,153 | - |
| Void Losses | (203) | (363) | (363) | - |
| Net Rental Income | 27,799 | 29,791 | 29,791 | - |
| HAG recognised in the year | 9,205 | - | - | - |
| Other income | 2,411 | 2,853 | 2,853 | - |
| TOTAL INCOME | 39,414 | 32,643 | 32,643 | - |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 4,666 | 4,667 | 4,667 | - |
| ER/VR | - | - | - | - |
| Employee Costs - Group Services | 1,529 | 1,679 | 1,679 | - |
| Direct Running Costs | 3,025 | 3,398 | 3,398 | - |
| Running Costs - Group Services | 918 | 1,071 | 1,071 | - |
| Revenue Repairs and Maintenance | 3,778 | 4,279 | 4,279 | - |
| Bad Debts | 124 | 290 | 290 | - |
| Depreciation | 7,804 | 7,801 | 7,801 | - |
| TOTAL EXPENDITURE | 21,844 | 23,186 | 23,186 | - |
| NET OPERATING SURPLUS / (DEFICIT) | 17,570 | 9,457 | 9,457 | - |
| <i>Operating Margin</i> | 45% | 29% | 29% | - |
| Interest Receivable | 6 | 13 | 13 | - |
| Interest Payable | (7,453) | (7,891) | (7,891) | - |
| STATUTORY SURPLUS / (DEFICIT) | 10,123 | 1,579 | 1,579 | - |

Key highlights:

- Net operating surplus per the 2020/21 budget of £9,457k and statutory surplus of £1,579k are in line with financial projections.
- Net rental and service charge income of £29,791k is in line with financial projections. It is £1,992k higher than 2019/20 outturn, due to the additional new build properties completed during 2019/20, and the transfer of over 100 properties from Barony HA.
- Other income of £2,853k is £442k higher than 2019/20 outturn. This is driven by the increased MMR lease income from properties completed during 2019/20.
- There is no grant income included in the budget which reflects the fact that there are no completions planned for 2020/21.
- Direct employee costs of £4,667k are £1k higher than 2019/20 outturn. This variance is primarily due to lower staff costs in Dunedin Canmore Property Services management offset by the staff cost of living increase.
- Recharges to Wheatley Group services, which include employee and running costs of £1,679k and £1,071k respectively, are in line with financial projections.
- Direct running costs are budgeted at £3,398k, in line with financial projections. The budget includes £226k of initiative spend, including a donation to the Wheatley Foundation. The majority of the budget covers office and property running costs, including insurance and property rental costs. The increase of £373k from the 2019/20 outturn largely reflects additional costs associated with the transfer of properties from Barony HA.
- Budgeted revenue repairs and maintenance expenditure of £4,279k is in line with financial projections. Increased expenditure in 2020/21 reflects the additional units transferred from Barony HA as well as an inflationary uplift in cost and additional budget provision linked to additional stock numbers.
- Bad debt expenditure per the budget of £290k is in line with financial projections and has been set prudently, allowing for the potential impact of an increasing number of tenants moving onto Universal Credit.
- Depreciation of £7,801k is in line with financial projections and includes depreciation on housing properties and other fixed assets.
- Interest payable of £7,891k is in line with financial projections and includes interest due to WFL1, THFC, and Allia. The increase of £438k from the 2019/20 outturn reflects additional borrowing which is primarily used to fund the new build programme.
- Net capital expenditure is budgeted at £14,577k for 2020/21. This includes new build, major repairs on existing properties, and other fixed asset additions.

| | | | | |
|--|---------------|---------------|---------------|---|
| INVESTMENT | | | | |
| Total Capital Investment Income | 5,083 | 15,135 | 15,135 | - |
| Total Expenditure on Core Programme | 5,977 | 5,437 | 5,437 | - |
| New Build Expenditure | 18,991 | 23,925 | 23,925 | - |
| Other Capital Expenditure | 725 | 350 | 350 | - |
| TOTAL CAPITAL EXPENDITURE | 25,693 | 29,712 | 29,712 | - |
| NET CAPITAL EXPENDITURE | 20,610 | 14,577 | 14,577 | - |

9) 2019/20 Full Year Operating Statement

| | Year to 31 March 2020 | | | Full Year |
|--|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INCOME | | | | |
| Rental Income | 28,002 | 28,006 | (4) | 28,006 |
| Void Losses | (203) | (310) | 107 | (310) |
| Net Rental Income | 27,798 | 27,696 | 102 | 27,696 |
| HAG Recognised in the Year | 9,205 | 18,636 | (9,431) | 18,636 |
| Other Income | 2,411 | 2,340 | 70 | 2,340 |
| TOTAL INCOME | 39,414 | 48,672 | (9,259) | 48,672 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 4,666 | 4,664 | (2) | 4,664 |
| ER/VR | - | - | - | - |
| Employee Costs - Group Services | 1,529 | 1,554 | 24 | 1,554 |
| Direct Running Costs | 3,025 | 3,030 | 5 | 3,030 |
| Running Costs - Group Services | 918 | 910 | (9) | 910 |
| Revenue Repairs and Maintenance | 3,778 | 3,826 | 48 | 3,826 |
| Bad Debts | 124 | 269 | 145 | 269 |
| Depreciation | 7,804 | 7,804 | - | 7,804 |
| TOTAL EXPENDITURE | 21,844 | 22,055 | 212 | 22,057 |
| NET OPERATING SURPLUS / (DEFICIT) | 17,570 | 26,617 | (9,047) | 26,615 |
| <i>Net Operating Margin</i> | 45% | 55% | -10% | 55% |
| Interest receivable | 6 | 6 | - | 6 |
| Interest payable | (7,453) | (7,676) | 223 | (7,676) |
| STATUTORY SURPLUS / (DEFICIT) | 10,123 | 18,947 | (8,824) | 18,945 |

| | Year to 31 March 2020 | | | Full Year |
|--|-----------------------|---------------|-----------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INVESTMENT | | | | |
| Total Capital Investment Income | 5,083 | 9,832 | (4,749) | 9,832 |
| Total Expenditure on Core Programme | 5,977 | 5,841 | (136) | 5,841 |
| New Build & Other Investment | 18,991 | 22,005 | 3,015 | 22,005 |
| Other Capital Expenditure | 725 | 377 | (349) | 377 |
| TOTAL CAPITAL EXPENDITURE | 25,693 | 28,222 | 2,530 | 28,223 |
| NET CAPITAL EXPENDITURE | 20,610 | 18,390 | (2,220) | 18,391 |

Key highlights year to date:

- Net operating surplus of £17,570k is £9,047k adverse to budget. Statutory surplus for the year to 31 March is £10,123k, £8,824k adverse to budget.
- Net rental income is reporting a £102k favourable variance following a strong letting performance. Void losses in the year to date are 0.7% against a budget of 1.1%.
- Grant income recognised in the year of £9,205k relates to the completion of units at Ravelrig Road, North Berwick, Greendykes, Aberlady, Lang Loan and Gullane. The adverse variance of £9,431k has arisen following completions which were budgeted in the current year but were accelerated and actually handed over in 2018/19. In addition, it was expected that over 100 properties would be handed over in period 12 but due to the shutdown of sites as a result of the coronavirus epidemic only 18 units were completed in March 2019.
- Other Income is £70k favourable to budget. DC Property Services ("DCPS") has generated a profit of £110k in the YTD. This is £28k favourable to budget.
- Repairs and maintenance costs are £48k favourable to budget. Reactive repair spend is £240k adverse to budget but this is offset by lower levels of cyclical spend which are £287k favourable to budget. The number of reactive repair jobs has increased by 10% year on year and is driven by customer demand.
- Bad debts is £145k lower than budget which was set on a prudent basis to make additional provision for the rollout of Universal Credit. An incremental provision for arrears linked to tenants who have migrated onto Universal Credit during the year of £42k has also been applied.
- Interest expenditure is £223k favourable to budget, due to the timing of funding drawdowns and preferential rates achieved. Borrowings are linked to the new build and core investment programmes.
- Investment expenditure on existing properties is £136k higher than budget driven by higher void costs capitalised. The core investment programme is reporting a favourable variance of £38k but this is offset by higher than budgeted void costs.
- New build spend of £18,991k is £3,015k behind budget. Lower levels of spend is reported across several sites. The largest variance relates to South Gilmerton where the acquisition took longer than anticipated but this was completed in January and several certificates have now been received. We have also started making grant claims as well.

Report

To: Dunedin Canmore Housing Board

By: Samantha Bett, Director of Treasury

Approved by: Steven Henderson, Group Director of Finance

Subject: CCFF scheme

Date of Meeting: 28 May 2020

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

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

[redacted]

- 3.2 We pay commitment fees for the revolving credit facilities and, once drawn, the RCFs are charged at LIBOR + lending margin.
- 3.3 While the financial services sector has performed well and supported lenders to date thanks to their strong balance sheets, there is a remote chance that events could create a liquidity squeeze on banks, and undrawn committed facilities may be cancelled. There were examples of this in the 2008 credit crunch.
- 3.4 The Covid-19 crisis has not (yet) extended into a credit crisis for the banking sector, and while we do not anticipate such an outcome, in the event that banks do become credit-constrained, it would be prudent to have a backup option of a direct line of funding available from the Bank of England. Acceptance onto the scheme would also present an opportunity to manage our treasury strategy efficiently over the next 12 months.
- 3.5 The Bank of England has specifically launched the CCFF scheme as an alternative source of funds for companies like Wheatley Group to 'help preserve the capacity of the banking system to lend to other companies, including small and medium-sized enterprises, which rely on banks'. The CCFF liquidity is provided as an alternative to bank funding.

4. Background

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

5. Discussion

- 5.1 While the Group has a strong liquidity position as a result of our recent drawdown of £72m from our EIB 2018 facility and the extension of terms for Revolving Credit Facilities from our Syndicate lenders, the CCFF scheme provides a more efficient source of working capital to support the Group's requirements over the short-term.
- 5.2 The scheme will remain open for applications until 31 December 2020 and Issuers must be approved by that date. We have had in-principle endorsement of eligibility from the Bank of England in order to allow us to proceed to the next stage, which is a more detailed application to be formally accepted onto the scheme.

- 5.3 Funds can be drawn until 31 March 2021, with only two days' notice provided to the Bank of England. Paper can be issued on the 30 March 2021 for 364 days. The Bank will provide a 6-month notice period before the withdrawal of the CCFF scheme.
- 5.4 While the funding is short term (maximum period of 364 days), it is at very low rates of interest. At the time of writing, the rate would be under [redacted]%. This compares to [redacted]% - [redacted]% on most of our bank Revolving Credit Facilities.
- 5.5 While we do not necessarily anticipate a requirement to draw funds from the CCFF scheme, this depends largely on the timing of the re-introduction of constructions sites and the associated funding requirement from the new build programme. We could potentially use the CCFF as our primary source of short-term funding, avoiding the need to draw from our committed RCFs which is one of the objectives of the BOE scheme.
- 5.6 It should take around three weeks to set up the CCFF scheme from the point of acceptance by the Bank of England. Once in place, there are no fees for issuance and no commitment fees are payable. The fees for establishing the CCFF scheme will total c. £40k and includes the following:
- i. Issuer counsel (Pinsent Mason) – [redacted]
 - ii. Dealer counsel (NatWest Markets in-house legal team) – [redacted]
 - iii. Issuing and Payment Agent (HSBC) – [redacted]
- 5.7 NatWest Markets are not charging any fees to act as Dealer under the CCFF scheme. Commonly, 1 basis point would be charged per issue. The minimum deal size is £1.0m, with £0.1m increments permitted.

6. Value for money implications

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

7. Impact on financial projections

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

8. Legal, regulatory and charitable implications

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

9. Partnership implications

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

10. Equalities impact

- 10.1 None noted.

11. Recommendation

- 11.1 The Board is asked:

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

List of appendices:

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

Appendix 1: Technical detail of CCFF and associated legal documentation

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

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

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

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

| Rating at 1 March 2020 | Pricing | Amount |
|------------------------|-------------|-------------|
| A1/P1/F1/R1 | [redacted]% | Up to £1bn |
| A2/P2/F2/R2 | [redacted]% | Up to £600m |
| A3/P3/F3/R3 | [redacted]% | Up to £300m |

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

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

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

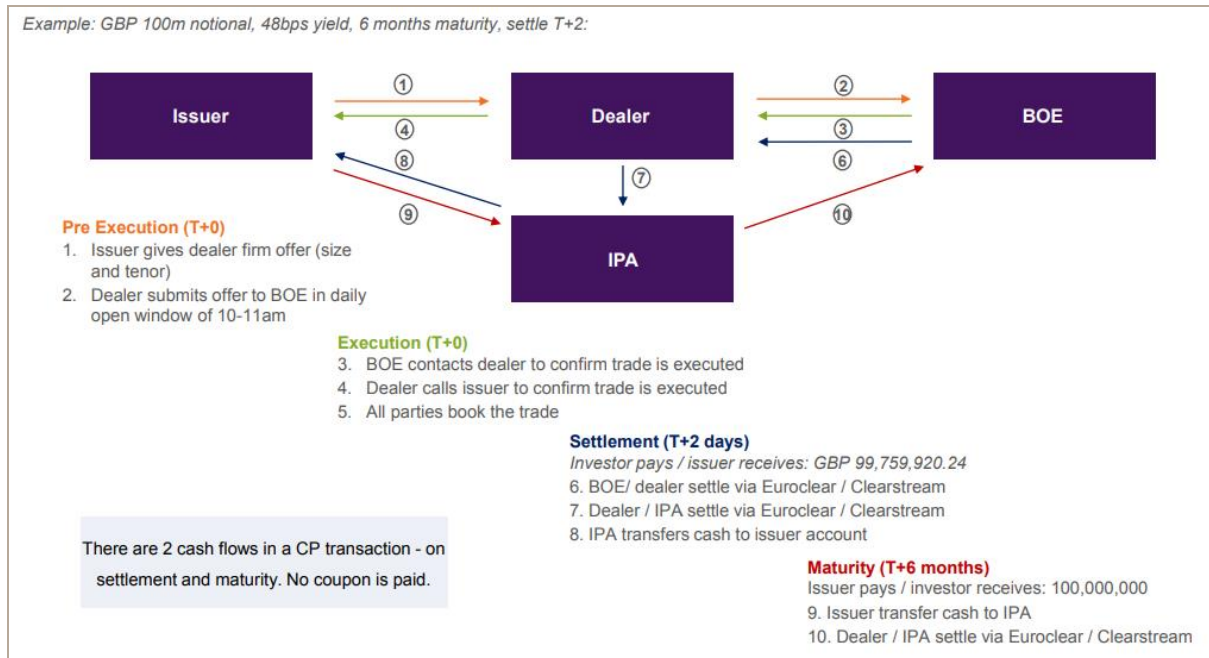
The pricing and availability of our various Revolving Credit Facilities (RCFs) for WFL1 are set out below:

[redacted]

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

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

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



Issuer – WFL1

Dealer – NatWest Markets

IPA – Issuing and Paying Agent, HSBC

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

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

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

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

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

Report

To: Dunedin Canmore Housing Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Alertacall Expansion

Date of Meeting: - 28 May 2020

1. Purpose

- 1.1 To update the Board on progress to date with the roll out of 200 Alertacall units to general needs customers across Group and in relation to Dunedin Canmore.

2. Authorising Context

- 2.1 The activities addressed in this report are principally of an operational nature, and are therefore delegated to the Group CEO under the Group Standing Orders.

3. Risk Appetite and assessment

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

4. Background

- 4.1 In April 2018 Wheatley Group designed a new and bespoke Livingwell service in direct response to the removal of Local Authority funding for sheltered and very sheltered services in Glasgow.
- 4.2 There are currently 29 Livingwell complexes across group; 24 GHA, 3 CUBE and 2 Loretto Housing. Across Wheatley Group footprint there is also Retirement Housing in Dunedin Canmore and Sheltered Accommodation in Dumfries and Galloway Housing Partnership.
- 4.3 Work is currently underway to explore and scope the potential for the Livingwell model to be adapted for roll out across Dunedin Canmore as part of our strategy for improving services for older people.

- 4.4 The current Livingwell model is designed to support customers to live independently and safe and well. The model consists of 10 component parts, as detailed below:
- Safety and security – Alertacall
 - Technology and Smart TV
 - Volunteers and Peer Support
 - Local Community Engagement Team
 - Livingwell Advisor Team
 - Low level adaptations
 - Daily social events calendars
 - Integrated Housing and Care teams on site planned times
 - Health and wellbeing focused activities
 - Support to signposting and managing changes in circumstances
- 4.5 The Livingwell team, who are employed by Wheatley Care, are responsible for delivering the service to tenants. The service is an integrated housing and care model and delivers an enhanced housing management service to 949 tenants with Livingwell staff working very closely with housing teams in West Group partners.
- 4.6 The Alertacall (OK Today) system is an integral part of the Livingwell model. The service enables tenants, through a specialist phone, to “check- in daily” using a button on their phone to confirm everything is okay at home. If a tenant has not “checked in” by their agreed time, there is a detailed escalation process which includes Alertacall staff responding initially with further escalation to Livingwell staff or appropriate agencies and/or emergency services where required. The number of escalations and the reasons vary however on average there are 4 escalations per week for 949 customers.
- 4.7 Additionally, tenants can use their phone to directly contact our Customer Service Centre or to ask Alertacall to report repairs.
- 4.8 We are able to send out mass voice mail messages to customers via their Alertacall phones. This service can be used to alert customers to emergencies such as interruptions to their utility supplies, reminders about fire alarm tests in their buildings or to keep them up to date with news or activities. Customers or family members can also use the phones to set up appointment reminders.
- 4.9. An independent evaluation carried out into the service in 2019 found that;
- “Most tenants felt that Livingwell made a clear, positive difference to their social connections” and “Most tenants felt that the Livingwell service had helped them to retain their independence while remaining safe in their home”.*
- 4.10. As the pandemic was announced and Wheatley Group deployed business continuity plans, the Group took the opportunity to review what current partners could offer to support our response.
- 4.11. Contact was made with Alertacall to explore anything they could offer specifically to our vulnerable customers at this time. An agreement was reached with Housing Proactive that they would fund and deploy the Alertacall System to our vulnerable customers as required by us. The funding was agreed for a

6 month period. The Executive Team subsequently approved the proposal of rolling out 200 Alertacall systems to Group main stream tenants.

5. Discussion

- 5.1. The key motivation for introducing Alertacall services to mainstream housing at this time is to help reduce social isolation and improve opportunities to ensure our most vulnerable customers and their homes are safe and well through these unprecedented times with a view to understanding better how this system will assist in achieving a broader set of outcomes for customers across Group.
- 5.2. Customers who currently use Alertacall have repeatedly commented on the impact of the system and the contact with Alertacall staff throughout the day. Reminders for hospital appointments, interactions with Alertacall staff, receiving birthday cards and ensuring properties are appropriately prepared prior to hospital discharge are a few of the areas commented positively on by customers.
- 5.3. As Government restrictions continue, potentially for a much longer period, introducing Alertacall will allow us to connect more easily with some of our older and more vulnerable customers and to ensure that individuals are supported to maintain their health, connectedness and home in challenging times.
- 5.4. Utilising the system will allow us to ensure that there is more frequent and systematic contact with those most isolated throughout this period by initially targeting older customers who are shielding as a result of their age or underlying health conditions.
- 5.5. Interactions via the Alertacall system will allow us to more easily understand if a customer may be requiring additional support such as food deliveries. It will also allow us to push out messages offering support to the most at risk individuals.
- 5.6. While we are working tirelessly to reach out in person to all of our customers the introduction of the system will enable us to target resources more effectively by quickly responding where we have concerns about someone's welfare. All responses will adhere to Government guidelines.
- 5.7. The first 20 units were delivered in the West on Wednesday 15 April 2020 with the delivery plans designed to meet social distancing and infection control requirements., Units were placed outside customers' homes in sealed bags with no contact made.
- 5.8. Customers were supported through the installation process by Livingwell Advisors and Alertacall staff and no major issues were identified and by the 17th of April all customers had their system and individual arrangements established.
- 5.9. Between the 17th and 20th of April 85%, 17/20 customers were using the system as expected. The 3 remaining customers were contacted by Alertacall and Livingwell staff and reminded about the system use. The Livingwell team will continue to support tenants until they are fully comfortable with the system.

Customer feedback

- 5.10. Prior to rolling out the second phase we contacted customers in phase 1 to gather their feedback and see what improvements could be made with the distribution and set up process.
- 5.11. Customers noted without exception that the delivery and installation process went well with customers advising that they felt reassured knowing the system was there, they felt safe and secure. Recent quotes from customers include the following;

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

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

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

Implementation – phase 2 and 3

- 5.12. In identifying potential customers Housing Officers targeted customers over the age of 65 who may have less connectedness within their families and communities or individuals who may have a reduction in their informal or formal care arrangements as a result of the pandemic.
- 5.13. One hundred and eight customers were identified for inclusion in phase 2 of the roll out, with all customers connected and using the system by the 30th of April.
- 5.14. The install process for phase 2 is being supported again by Livingwell staff and a number of housing staff. In this instance a small number of individuals required practical support from Livingwell Team Leaders to install the equipment and set up the system. Full guidelines in respect of Personal Protective Equipment and social distancing were adhered to throughout.
- 5.15. Completion of phase 2 has resulted in 128 general needs tenants in the West of the Group connected to the Alertacall service.
- 5.16. Phase 3 of the roll out, circa 70 units will be extended beyond Glasgow and will also be offered to customers across Group geographical footprint. 15 units have been identified for Dunedin Canmore customers and our Housing Officers are currently reviewing their customer portfolio to identify those who would benefit from the service.
- 5.17. Phase 3 roll out is being programmed to commence by the end of May to allow Housing Officers the appropriate time engage with customers who may need further information and support to help them decide if they want to sign up to the Alertacall service. This time will also be used to develop our specific protocol for escalation processes in the use of Alertacall.

- 5.18. The installations for phase three will be supported by the Wheatley Care Livingwell team and Dunedin Canmore Housing Officers.

Interim evaluation of outcomes and model refinement

- 5.19. Throughout phase's 1 – 3, implementation data and customer feedback will be collated and formally reported on to monitor the impact of the service and the outcomes it supports, to inform the longer term vision for the use of innovative housing management systems across Wheatley Group.
- 5.20. An Evaluation Framework will be devised that allows us to measure the impact against a set of intended outcomes of the system deployment which will include but not be restricted to monitoring impact in respect of the following outcomes;
- Reducing social isolation
 - Customers feeling more safe in their homes
 - Supporting individuals who are shielding to access the appropriate support
 - Monitoring and responding to change in circumstances for our customers
 - Improved communication with vulnerable customers specifically in respect of Health and Safety
- 5.21. Formal evaluation will be concluded within 3 months of full deployment and, in addition to demonstrating outcomes will explore the longer term financial viability and future operating model which would successfully support this product and customer offering with early thinking focusing on a reshaped service model for;
- High Rise Living
 - Customers aged 65 or over
 - Tenants who are shielding for a longer period of time.
- 5.22. While the introduction of the Alertacall system for our more vulnerable customers, out with Livingwell, has been as a result of our response to the pandemic emergency; very early discussions were already underway to explore how we may partner with Housing Proactive to provide enhanced services to our customers using the products they develop.
- 5.23. Housing Proactive have a number of products that support housing management some of which are being already explored for use in Livingwell developments and in Group multi storey properties going forward. This includes a touch screen android tablet which provides all of the existing benefits of the Alertacall system but offers the following enhancements:
- Enhanced messaging capabilities, including voice, text and image based messaging
 - Provides a smart device to all customers ensuring the initial step on digital inclusion journey for all customers
 - Option to integrate with Wheatley's customer portal to allow for increased digital engagement & further step on digital journey
 - Potential to open up development for video conferencing and further digital inclusion.

- 5.24. Additionally, the touchscreens can be linked to environmental sensors which monitor, through simple technology, the temperature and humidity of properties. This in turn, can detect sooner potential maintenance issues and reduce repairs and maintenance costs.
- 5.25. While we are at the very early stages of scoping what this offering could look like, understanding the impact of its use in main stream housing throughout the current emergency and the subsequent evaluation will assist us to better scope the customer offering and determine the most appropriate model that results in the most positive and cost effective outcomes for our customers.
- 5.26. The evaluation will take into consideration discussions already underway, the range of products on offer and the longer term financial viability of the Alertacall system including any infrastructure changes required to support strategic deployment across Wheatley Group.
- 5.27. It is worth noting that current costs for the test areas are being met for 6 months by Housing Proactive. To retain thereafter the cost for each tenancy for the basic Alertacall system is £4.50 per week and is Housing Benefit eligible. It is anticipated that future costs would be met by standard rental income or service charge where appropriate, however as detailed earlier., longer term financial viability of the product offering will form a critical part of the evaluation.

6. Legal, regulatory and charitable implications

- 6.1 None.

7. Partnership implications

- 7.1 While no formal partnership is in place with Housing Proactive who deliver the Alertacall service we will continue to work closely with them as we explore opportunities to further support our tenants across group.

8. Implementation and deployment

- 8.1 A short term 3 months implementation plan has been agreed. Further consideration throughout this 3 month about a wider roll out across Group in line with strategic aims as detailed earlier in the report.

9. Equalities Impact

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

10. Recommendations

- 10.1. The Board is asked to note the progress made with phase one and two of the of the roll out and plans to introduce this to Dunedin Canmore customers in phase three.

Report

To: Dunedin Canmore Housing Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 28 May 2020

1. Purpose

1.1 To update and, where applicable, seek Board approval in relation to the following governance matters:

- 1) changes to our Rules;
- 2) use of the Chair Urgent Actions provision;
- 3) updates to the Group Standing Orders;
- 4) Proposed application for a consumer credit licence;
- 5) Additional July meeting; and
- 6) Barony transfer of Engagement

2. Authorising context

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

3. Risk Appetite and assessment

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

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

4. Background

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

5. Discussion

Constitutional changes

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

Tenure

- 5.2 The changes reflect the agreement by the Group Board to, under these exceptional circumstances, grant a one off, time limited 12-month extension to Board members who were due to retire or reach their tenure limit in 2020. The constitutional changes are to allow this one exception, with our overall policy position remaining that 9-year tenure limits apply in all other cases.
- 5.3 Although this does not directly apply to any of this Board, the changes maintain consistency with other partner RSLs across the Group. We are engaging the SHR regarding the restrictions relating to Chair tenure, with the Rules now applying an element of discretion not previously in place.

Membership

- 5.4 Currently we operate with an 'open' membership model. We propose to amend this so that membership is limited to our tenants and current Board members. This is on the basis that decisions with an impact on key services to tenants should be made by tenants and Board members only.

- 5.5 This would include all Board members' membership automatically ceasing upon retiring from the Board save where they are also a tenant of the organisation. A consequence of this change would be that twenty-nine shareholding members would have their memberships cancelled.

Board recruitment and appointment

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

Meetings and administration

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

Updates to our Group Standing Orders

- 5.10 Updates have been made to the Group Standing Orders following the recent partnership with DGHP. The changes do not impact our operations; however, any updates to the Group Standing Orders are notified to all Boards. The changes are as follows:
- (i) To acknowledge DGHP currently has DGHP-specific Development Committee;
 - (ii) DGHP financial delegation levels

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

Use of the Chair Urgent Actions provision

- 5.11 Under the Group Standing Orders the Chair has authority to approve items of a time sensitive nature where it is neither feasible or practical to convene an additional meeting or agree a written resolution. Two such decisions required to be taken at the beginning of the lockdown. These were:
- (i) 20 March 2020 – granting of security to facilitate drawdown of European Investment Bank funding;
 - (ii) 23 March 2020 - updates to loan agreements

Further background on these decisions is available to Board members on request.

Proposed application for consumer credit licence

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

Additional meeting

- 5.16 It is proposed that we will have an additional meeting cycle in July to keep the Board up to date on essential activities. The proposed date is Thursday 9th July at 14.00. In addition to this the Group Chair has written to the streamlined Board regarding an informal session to hear its feedback and inform a review of the interim governance arrangements. The proposed date for this is Thursday 11th June at 11.00am.

Barony Transfer of Engagement

- 5.17 We have been progressing the reorganisation of Barony, with the transfer of care activity to Wheatley Care and West Lothian housing stock to West Lothian Housing Partnership now complete.
- 5.18 The final stage is the Transfer of Engagement to us. The Barony Board are scheduled to consider this process at their meeting on 28 May. This process is timetable to complete in July and formal Board approval will be sought at the July meeting.

6. Key issues and conclusions

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

7. Value for money implications

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

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

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

10. Partnership implications

10.1 There are no partnership implications associated with this report.

11. Implementation and deployment

11.1 A Special General Meeting will be arranged to approve the Rule changes. We will ensure we do so in a compliant way, with the use of proxies for example to prevent the need to convene physical gatherings beyond what is strictly necessary. It is intended we will seek to do this alongside the Annual General Meeting.

12. Equalities impact

12.1 There is no equalities impact associated with this report.

13. Recommendations

13.1 The Board is asked to:

- 1) Approve the proposed changes to our Rules and delegate authority to the Secretary to call a Special General Meeting
- 2) Note the use of the urgent actions provisions in the Group Standing Orders on 20 March 2020 and 23 March 2020
- 3) Note the amendments to the Group Standing Orders;
- 4) Approve our application for a consumer credit licence;
- 5) Agree an additional meeting on Thursday 9th July at 14.00; and
- 6) Note the progress with the Barony Transfer of Engagement.

Appendix 1 – Track changed Rules

These are the Rules
of

Dunedin Canmore Housing Limited

Based upon
SFHA Charitable Model Rules (Scotland) 202013
(~~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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Glasgow, G2 5NW
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Further guidance

Further Advice

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

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

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INTRODUCTION

Name

- 1 The name of the Society shall be Dunedin Canmore Housing 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 8 New Mart Road, Edinburgh, EH14 1RL.

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 The Board shall set, review and publish its membership policy for admitting new Members. ~~Other than the Parent and subject to the provisions of Rule 7.2, the following shall be eligible to become Members. Subject to the provisions of Rule 7.2, the following shall be eligible to become Members:~~
 - 7.1.1 tenants of the Association;
 - 7.1.2 any person who is a Board Member and who is not a tenant or a Parent Appointee; and
 - 7.1.3 the Parent.~~service users of the Association;~~

- ~~7.1.3 — other persons who support the objects of the Association; and~~
- 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. Whilst it is the Association's intention to encourage membership, the Board has absolute discretion in deciding on applications for membership and the following shall constitute grounds for refusal of an application for membership:
- 7.2.1 where membership would be contrary to the Association's Rules or policies;
 - 7.2.2 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; and/or
 - 7.2.3 where the Board considers that accepting the application would not be in the best interests of the Association.
- 7.3 Your application shall be considered by the Board as soon as reasonably practicable after its receipt by the Association. An application for membership will not be considered by the Board within the period of 14 days before the date of a general meeting. The Board has the power in its absolute discretion to accept or reject the application.
- 7.4 If the Board approves your application, you will immediately become a Member and your name and other necessary particulars will be included in the Register of Members within seven working days. You will then be issued one share in the Association.
- 7.5 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 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 with one share in the Association.
- ~~7.6 The Parent shall apply for a share in terms of these Rules and shall make payment of the sum of one pound to the Association's registered office. The Parent shall then become a Member of the Association and its name and other necessary particulars will be included in the Register of Members within seven working days and shall be issued with a share to the value of one pound (the "Parent Share") in the Association.~~
- 7.76 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.
- ~~7.87~~ 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 16.
- 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;
- 11.1.3 except in the case of a Tenant Board Member and the Parent, the Board is satisfied that you are no longer a serving Board Member following:
- 11.1.3.1 retirement pursuant to Rule 39.2;
- 11.1.3.2 removal or disqualification pursuant to Rule 44; or
- 11.1.3.3 resignation of the Chairperson pursuant to Rule 59;
- 11.1.~~43~~ for five annual general meetings in a row you have not attended, ~~submitted apologies, exercised a postal vote~~ or appointed a representative to attend and vote on your behalf by proxy;
- 11.1.~~54~~ except in the case of the Parent, the Association receives a complaint about your behaviour and two-thirds of the Members voting at a special general meeting agree to end your membership. The following conditions apply to this procedure:
- 11.1.~~54~~.1 the complaint must be in writing and must relate to behaviour which could harm the interests of the Association;
- 11.1.~~54~~.2 the Secretary must notify the Member of the complaint in writing not less than one calendar month before the meeting takes place;
- 11.1.~~54~~.3 the notice for the special general meeting will give details of the business for which the meeting is being called;
- 11.1.~~54~~.4 you will be called to answer the complaint at the meeting. The Members present will consider the evidence supporting the complaint and any evidence you decide to introduce;
- 11.1.~~54~~.5 the Members can vote in person or through a representative by proxy; and
- 11.1.~~54~~.6 if you receive proper notice but do not go to the meeting without providing a good reason, the meeting will go ahead without you and the Members will be entitled to vote to end your membership.
- 11.2 If your membership is ended in accordance with Rule 11.1.~~54~~, you will immediately cease to be a Member from the date that the resolution to end your membership was passed and any further application for membership by you will need to be approved by two-thirds of the Members voting at a general meeting.

REPRESENTING ~~AN ORGANISATION~~THE PARENT

- 12.1 ~~An organisation which is a Member~~The Parent is free to nominate any person it considers suitable as its representative to the Association. That person will represent all of the ~~organisation's~~Parent's rights and powers at general meetings.
- 12.2 To confirm the identity of a representative, the ~~organisation~~Parent must send the Association a copy of the authorisation or appointment of an individual as a representative. This should be signed by a Director, Secretary or Authorised Signatory of the ~~organisation~~Parent which signature must be witnessed, ~~or in the case of a local authority, by the Chief Executive, or properly authorised officer of the local authority.~~
- 12.3 ~~An organisation~~The Parent can change the identity of the person entitled to represent that ~~organisation~~the Parent at any time by confirming the identity of the new representative in terms of Rule 12.2 and withdrawing the authority of the original representative.
- 12.4 ~~If you are a~~ representative of the Parent in terms of Rule 12.2, ~~of an organisation which is a Member, you~~ cannot be a Member as an individual ~~yourself~~. If ~~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 ~~at~~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. Joint tenants of the Association may each become individual Members.
- 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 — You cannot sell your share but you can transfer it if the Board agrees other than in respect of the Parent Share which may not be sold or transferred but which 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 those circumstances outlined in Rules ~~17.2 and 17.3~~) and the value of the share will then belong to the Association.
- ~~17.2~~ You can nominate the person to whom the Association must transfer your share in the Association when you die, as long as the person that you nominate is eligible for membership under these Rules and in terms of the Association's membership policies. On being notified of your death, the Board shall transfer or pay the full value of your share to the person you have identified. Your nomination must be in

the terms required by the Co-operative and Community Benefit Societies Act 2014. If the person you nominate is not eligible for membership or your nomination is not in the said terms required, then following your death the Board will cancel your share.

BORROWING POWERS

- 18.1 The Association can borrow money as long as the total borrowing at any time is not more than £400 million 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 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, with another entity or entities on terms which the Board deems appropriate at the time of entering into the transaction. Where the Association is using a loan facility to on lend it must comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.
- 18.7 The Association may borrow money from such lawful sources as is permitted by its Treasury Management Policy subject always to the requirement that the Association will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.
- 18.8 Subject to the foregoing provisions of this Rule 18, the Board can, with the prior written approval of the Parent, determine and change the conditions under which the Association borrows or lends money.
- 19 With the exception of the Parent, the Association shall not lend money to Members.

GENERAL MEETINGS

Annual General Meeting

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

Special General Meeting

- 21.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:
- 21.1.1 the ~~Committee 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. If there are more than 40 Members, at least one tenth of all the Members must ask for the meeting.
- 21.2 Whoever asks for the meeting must give the Secretary details of the business to be discussed at the meeting.
- 21.3 If a special general meeting is requested, the Secretary must within 10 days of having received the request give all Members notice calling the meeting. The meeting must take place within 28 days of the Secretary receiving the ~~Members'~~ request. The Secretary should decide on a time, date and place for the meeting in consultation with the Board or the Chairperson, but if such consultation is not practicable the Secretary can on his/her own decide the time, date and place for the meeting.
- 21.4 If the Secretary fails to call the meeting within 10 days, the Board or the Members who requested the meeting can arrange the meeting themselves.
- 21.5 A special general meeting must not discuss any business other than the business mentioned in the notice calling the meeting.

Notice for Meetings

- 22.1 The Secretary will call all general meetings by written notice posted or sent by ~~fax or email~~ electronic communication to every Member (which must include the Parent) at the address, ~~fax number~~ or email address given in the Register of Members at least 14 clear days before the date of the meeting. This notice will give details of:

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

PROCEDURE AT GENERAL MEETINGSProcedure at General Meetings

- 24.1 For a meeting to take place the Parent and at least seven Members must either be present at the venue or represented at the venue by a representative approved in terms of Rule 27.1. ~~If there are more than 70 Members, at least one-tenth, including the Parent, must either be present or represented at the venue by a representative in terms of Rule 27.1.~~
- 24.2 If the Parent is not present in person or by representative and/or not enough other Members are present in person or by representative within half an hour of the time the meeting was scheduled to start, the meeting shall be rescheduled to the same day the following week at the same time and at such place as may be fixed by the chairperson of the meeting and announced at the meeting. There is no need to give notice to Members of the rescheduled meeting with the exception of the Parent, who must receive such notice if it was not present in person or represented at the meeting to be rescheduled. If at that meeting there are not enough Members present in person or by representative at the scheduled starting time the meeting can still go ahead.
- 24.3 The Parent shall be deemed to be present in person at any general meeting if it is represented in person by an individual (who need not be a Member) who is appointed to act as such ~~in writing signed~~ by or on behalf of the Parent.
- 24.4 The Board shall determine the manner in which general meetings of the Association are held, subject to the prior approval of the Parent.
- 25 If a majority of Members present agree, the chairperson of a meeting can adjourn the meeting. No business can be discussed at the adjourned meeting other than the business not reached or left unfinished at the original meeting. There is no need to give notice to Members of the adjourned meeting.
- 26.1 The Chairperson of the Board will be chairperson at all meetings of the Association. If there is no Chairperson or he/she is not present or willing to act, ~~the Members present must elect a Member of the Board to a~~ Board Member will be chairperson of

the meeting. If no Board Members are present, the Members present must elect a Member to 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 10.
- 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.~~

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 poll is requested or required. Votes cannot be taken on resolutions which conflict with any provisions of these Rules or the law.
- 29.1 Where a vote is by a show of hands every Member, including the Parent, present in person has one vote (subject in the case of the Parent to the provisions of Rule 29.23). Where a vote is by a poll 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 poll. ~~29.2 — In relation to the election of Board Members, the vote is by a poll using the ballot paper issued to the Members prior to the meeting; votes received by post in advance of the meeting will be counted in the total number of votes at the meeting.~~
- 29.23 The Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast:

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

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

29.23.1.2 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 29.23 shall be counted for and against the relevant resolution(s) in the proportions for and against actually cast by each of the Other Members who are present and voting at the meeting in person or by proxy respectively. The Secretary shall make arrangements for such Other Members to vote on the resolution(s) separately and shall count the number of votes in favour and against the resolution(s) and shall notify the special general meeting or annual general meeting of the totals and accordingly the manner in which the one quarter of votes available to be cast at the relevant special general meeting or annual general meeting and exercisable by the Other Members have been cast. The Secretary shall notify the meeting of the decision of the vote having regard to the votes cast by the Parent.

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

31.1 A poll can be required before or immediately after a vote by a show of hands, if at least one-tenth of the Members present at the meeting (in person or by proxy through a representative appointed in accordance with Rule 27.1) request this.

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

PROCEEDINGS AT GENERAL MEETINGS

32 All speakers must direct their words to the Chairperson. All Members must remain quiet and orderly while this is happening.

33 You will not be allowed to speak more than once on any individual matter unless it is to explain something or ask for an explanation until every other Member has had the chance to speak. You will then have the opportunity to speak a second time on a matter but only if the Chairperson agrees. Where the Chairperson raised the matter for discussion initially, he/she shall be permitted to make a final reply on the matter.

- 34.1 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.
- 34.25 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling. ~~If the Chairperson's ruling is challenged by more than one person, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original ruling is carried.~~
- 356 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 seven Board Members shall be Independent Board Members;
- 37.1.2 up to four Board Members shall be Tenant Board Members; and
- 37.1.3 if appointed, ~~up to~~ one Board Member shall be the Parent Appointee (as defined in Rule 37.67).
- 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 and a Member to become a Tenant Board Member. ~~(including any person appointed to fill a casual vacancy) other than a person appointed as~~ A person must be aged 18 or over but need not be a Member to become a co-optee, a person appointed by The Scottish Housing Regulator or the Parent Appointee (as defined in Rule 37.~~67~~), ~~each and any of whom must be aged 18 or over but need not be a Member.~~
- 37.4 With the exception of the Parent Appointee (as defined in Rule 37.~~67~~), an employee of the Association, ~~or a Close Relative of an employee,~~ may not be a Board Member.
- 37.5 No Board Member may take office until they have agreed to and signed the Association's code of conduct for Board Members and their appointment has been ratified by the Parent.
- ~~37.6 Notwithstanding Rule 37.1, if at any time there are fewer candidates standing for election pursuant to Rule 39 to become Tenant Board Members than the number of available vacancies, then it shall become competent for a candidate who satisfies the criteria for election as an Independent Board Member to be eligible for election to fill the relevant place or places.~~
- 37.~~67~~ The Parent may from time to time and at any time by written notice to the registered office of the Association appoint up to one person as a Board Member (a "Parent Appointee") and by like notice remove or replace the 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.~~78~~ Notwithstanding any other provision of these Rules:
- 37.~~78~~.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.~~78~~.2 any appointments and removals from office in terms of Rule 37.~~78~~.1 may be made from time to time and at any time in writing signed on behalf of the Parent and served on the Association and, in each case, shall take effect upon the date of lodgement of written notice at the Association's registered office or such later date as may be specified in the notice; and
- 37.~~78~~.3 all candidates for ~~election, re-election,~~ appointment, or re-appointment as Board Members in terms of these Rules shall first be approved in writing by the Parent and any such ~~elections, re-election,~~ appointment or re-appointment of a Board Member shall not take effect unless and until such approval has been given.
- 37.~~89~~ 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:

- 37.89.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects;
- 37.89.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- 37.89.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:
 - 37.89.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board Member; and
 - 37.89.3.2 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
- 37.89.4 ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

37.9 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 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, provided that there are at least three remaining Board Members who are entitled to remain in terms of this Rule 38.2, 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.
- 38.3 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 Board Member ~~elect~~appointed under these Rules shall be ~~elect~~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 ~~election or nomination~~appointment. 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 39.5.~~
- 39.2 ~~At every annual general meeting e~~Each 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-~~election~~appointment 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 ~~stand for re-election without being nominated~~be re-appointed 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-~~election~~appointment 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-~~election~~appointment, unless the Parent agrees otherwise in accordance with Rule 39.5.
- 39.3 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.~~
- 39.4 If a Board Member leaves the Board for any reason other than by virtue of Rule 39.2, that Board Member will not be eligible ~~to stand for re-election~~appointment or to be co-opted on to the Board until the expiry of five years following the date on which they left the Board, unless otherwise agreed by the Parent.
- 39.5 Other than the Parent Appointee (if appointed) no Board Member shall serve more than nine years' service in total on the Board, whether continuously or in aggregate, unless the Parent agrees otherwise. The Parent shall be entitled to approve a longer fixed term for any Board Member following the expiry of nine years' service where the Parent is satisfied that a Board Member is able to demonstrate his/her continued effectiveness as a Board Member. Where the Parent approves the re-appointment of a Board Member in terms of this Rule 39.5, the Parent shall review that Board Member's appointment on an annual basis..
- 39.6 If a Board Member retires from the Board in terms of these Rules and ~~stands for re-election~~ is re-appointed, subject to Rule 39.4, any time previously served on the Board shall count towards their period of service for the purposes of Rule 39.5.
- 39.7 The other terms of this Rule 39 shall not apply to the Parent Appointee (if appointed) who shall not be required to retire at any ~~annual general meeting~~Board Meeting.

~~40.1 — If, at the annual general meeting the number of Members standing for election is less than or equal to the number of vacant places, the Chairperson will declare them elected without a vote. If there are more Members standing for election than there are vacant places, those present at the general meeting or those exercising a postal vote in accordance with Rule 27.6 will elect Members onto the Board, in accordance with Rule 29.2. Each Member present or who has appointed a representative will have one vote for each place to be filled on the Board. A Member must not give more than one vote to any one candidate.~~

~~40.2 — The Association will post or send by fax or email intimation of the intended date of the annual general meeting and information on the nomination procedure to each Member at the address, fax number or email address given in the Register of Members of the Association not less than 28 days before the date of the meeting. Nominations for election to the Board must be in writing and in the form specified by the Association and must give the full name, address and occupation of the Member being nominated. A Member cannot nominate himself/herself for election to the Board. Nominations must be signed by and include a signed statement from the Member being nominated to show that they are eligible to join the Board in accordance with Rules 37.4 and 43, and that they are willing to be elected. Nomination forms can be obtained from the Association and must be completed fully and returned by hand or by post to the Association's registered office at least 21 days before the general meeting.~~

~~41 — If an elected Board Member leaves the Board between the annual general meetings, this creates a casual vacancy and the Board can appoint a Member to take their place on the Board until the next annual general meeting.~~

40.1 The Board shall determine the appointment process for 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 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;
 - 43.1.7 he/she has been removed from the Board in terms of Rules 44.4 or 44.5 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;

43.1.1~~24~~ he/she has been removed from the governing body of any other member of the Group; or

43.1.1~~32~~ he/she has left the Board and a period of five years has not expired since his/her departure for the purposes of Rule 39.4.

43.2 A person cannot be re-~~elected~~ appointed as a Board Member if the Board is not satisfied of the individual's continued effectiveness as a Board Member. In these circumstances the Board must not allow the individual to stand for re-~~election~~appointment.

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;

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, 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. 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, 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 becomes ineligible as a Board Member in terms of Rule 43;

44.7 he/she is a co-optee whose period of office is ended in accordance with Rules 39.3 or 42.1;

- 44.8 he/she is a Board Member retiring in accordance with Rule 39.2; or
- 44.9 he/she is the 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) the Parent Appointee (unless the Parent Appointee has 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 Committee Member or the failure of the Board Member (other than the Parent Appointee) to receive such notice shall not invalidate the proceeding of the relevant meeting.
- 51 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.
- 52.1 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.
- 53.2.2 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling which will be final.
- 53.4 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.
- 54.5 A written resolution ~~signed~~ agreed in writing or by electronic communication by not fewer than three quarters of the Board Members 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 Members, subject to the prior approval of the Parent.

Special Board Meetings

- 56.1 The Chairperson, the Parent or two Board Members can request a special meeting of the Board by writing to the Secretary with details of the business to be discussed. The Secretary will send a copy of the request to all Board Members and to the Parent within three working days of receiving it. The meeting will take place at a place mutually convenient for the majority of Board Members, normally the usual

place where Board Meetings are held, between 10 and 14 days after the Secretary receives the request.

- 56.2 No other business may be discussed at the meeting other than the business for which the meeting has been called.
- 56.3 If the Secretary does not call the special meeting as set out above, the Chairperson or the Board Members who requested the meeting can call the meeting. In this case, they must write to all Board Members at least seven days before the date of the meeting.
- 57 If a Board Member (other than the Parent Appointee) 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. 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.
- 58.5 The creation of any new sub-committees by the Board is subject to the prior approval of the Parent.

THE SECRETARY AND OFFICE BEARERS

- 59.1 The Association must have a Secretary, a 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. Thereafter a~~The Chairperson will be appointed in accordance with Rule 59.76 and shall hold office for a period which shall commence on the date of the Chairperson's appointment and shall expire immediately prior to the next scheduled Board Meeting held after the expiry of three years from the date of appointment (the "office term"), subject always to the provisions of Rule 39.

Role of the Chair

- 59.6 The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, the Rules and the standing orders of the Association. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office. Among the responsibilities of the Chairperson are that:
- 59.65.1 the Board works effectively with the senior staff;
 - 59.65.2 an overview of business of the Association is maintained;
 - 59.65.3 the Agenda for each meeting is set;
 - 59.65.4 meetings are conducted effectively;
 - 59.65.5 minutes are approved and decisions and actions arising from meetings are implemented;
 - 59.65.6 the standing orders, code of conduct for Board Members and other relevant policies and procedures affecting the governance of the Association are complied with;

- 59.65.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
 - 59.65.8 the Board monitors the use of delegated powers;
 - 59.65.9 the Board receives professional advice when it is needed;
 - 59.65.10 the Association is represented at external events appropriately;
 - 59.65.11 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
 - 59.65.12 the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.
- 59.76 The Chairperson must be elected from the Board Members (excluding co-optees) which election must ~~then be approved in writing~~ by the Parent. The Chairperson must be prepared to act as Chairperson until the end of their office term (unless he/she resigns the post). The Chairperson can only be required to resign if a majority of the remaining Board Members present at a special meeting agree to this.
- 59.87 If the Chairperson is not present at a Board Meeting or is not willing to act, the Board Members present will elect another Board Member to be chairperson for the Board Meeting. If the Chairperson arrives at the meeting late, he/she will take over as chairperson of the Board Meeting as soon as the current agenda item is concluded.
- 59.98 If the votes of the Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.
- 59.109 The Chairperson can resign his/her office in writing to the Secretary and must resign if he/she leaves the Board or is prevented from ~~standing for, or being elected~~appointed to the Board under Rule 43. The Board will then elect another Board Member as Chairperson.
- 59.119 The Chairperson can be re-elected upon expiry of their office term for a further maximum of two years and must not hold office continuously for more than five years, unless otherwise approved by the Parent, subject always to the provisions of Rule 39.
- 59.124 Upon expiry of their period of service as Chairperson, the Chairperson must resign as a Board Member and leave the Board. If the Chairperson resigns under Rule 59.76 or 59.109 then they shall also be deemed to have resigned as a Board Member, regardless of the length of their period of service as Chairperson.

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 38.2.

- 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 of the meeting at which they are presented. All minutes signed by the 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 to the Board that Rules 62 to 67 have been followed or, if they have not been followed, the reasons for this. The Secretary's confirmation or report must be recorded in the minutes of the Board Meeting.

ACCOUNTS

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

THE AUDITOR

- 72.1 Each year the Association must appoint, at a general meeting of the Association, a qualified auditor to audit the Association's accounts and balance sheet. In this Rule

"qualified auditor" means someone who is a qualified auditor under Section 91 of the Co-operative and Community Benefit Societies Act 2014.

72.2 None of the following can act as auditor to the Association:

72.2.1 a Board Member or employee of the Association;

72.2.2 a person who is a partner of, or an employee or employer of a Board Member or employee of the Association;

72.2.3 an organisation which is a Member of the Association.

73 The ~~Association must appoint an auditor within three months of being registered by the Financial Conduct Authority. The~~ Board will appoint the auditor unless there is a meeting of the Association within that time. The Board may appoint an auditor to fill in a casual vacancy occurring between general meetings of the Association. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Association's auditor including the periodic review of the need for audit rotation. The Association must send a copy of its accounts and the auditor's report to The Scottish Housing Regulator within six months of the end of the period to which they relate or such other period as may be permitted by The Scottish Housing Regulator from time to time.

74.1 An auditor appointed to act for the Association one year will be re-appointed for the following year unless:

74.1.1 a decision has been made at a general meeting to appoint someone else or specifically not to appoint them again;

74.1.2 they have given the Association notice in writing that they do not want to be re-appointed;

74.1.3 they are not a qualified auditor or are excluded under Rule 72.2;

74.1.4 they are no longer capable of acting as auditor to the Association; or

74.1.5 notice to appoint another auditor has been given.

74.2 To prevent an auditor being re-appointed or to appoint another person as auditor, not less than 28 days' notice must be given to the Association that the matter requires to be discussed at the next meeting of the Association.

74.3 The Association shall give notice to the auditor who is to be asked to step down that the matter will be discussed at the next meeting of the Association. If possible the Association will also give proper notice of this matter to the Members but if this is not possible, the Association can give notice by advertising in the local newspaper at least 14 days before the meeting.

74.4 The retiring auditor may make representations to the Association or give notice that he/she intends to make representations at the meeting and the Association must tell the Members of any representations made by the auditor under Section 95 of the Co-operative and Community Benefit Societies Act 2014.

ANNUAL RETURNS AND BALANCE SHEET

75.1 Every year, within the time allowed by the law, the Secretary shall send to the Financial Conduct Authority the annual return in the form required by the Financial Conduct Authority.

75.2 The Secretary must also send:

- 75.2.1 a copy of the auditor's report on the Association's accounts for the period covered by the return; and
 - 75.2.2 a copy of each balance sheet made during that period and of the auditor's report on that balance sheet.
- 76 If requested, the Association must provide a free copy of the latest annual return and auditor's reports to Members or people with a financial interest in the Association.
- 77 The Association must always keep a copy of the latest balance sheet and auditor's report publicly displayed at its registered office.
- 78 The Association must comply with the requests of The Scottish Housing Regulator for annual returns.

SURPLUSES AND DONATIONS

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

INVESTMENTS

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

INSPECTING THE REGISTER

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

DISPUTES

- 82 Every dispute between the Association or the Board and:
- 82.1 a Member;
 - 82.2 a person aggrieved who has ceased to be a Member within the previous six months; or
 - 82.3 a person claiming under the Rules of the Association,
- shall be dealt with in accordance with these Rules and any procedures determined by the Board from time to time but without prejudice to all rights which any person

may have to raise an action on the matter in any court with competent jurisdiction, including without prejudice the Sheriff Court in the Sheriffdom in which the Association's registered office is located.

STATUTORY APPLICATIONS TO THE FINANCIAL CONDUCT AUTHORITY

- 83 Any 10 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.
- 84.1 One-tenth of the Members can apply to the Financial Conduct Authority to:
- 84.1.1 appoint an inspector to examine and report on the affairs of the Association; or
 - 84.1.2 call a special general meeting of the Association.
- 84.2 If there are more than 1000 Members in the Association, only 100 Members need to apply to the Financial Conduct Authority in terms of Rule 84.1.

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 ~~44-28~~ 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-28~~ working days of the decision having been made;
 - 88.6.2 notify the Financial Conduct Authority as soon as possible after the change in registered office has been made;
 - 88.6.~~32~~ 32 notify the Office of the Scottish Charity Regulator within three months of the change having been made; and
 - 88.6.~~43~~ 43 obtain the prior written approval from the Parent.

INTERPRETING THESE RULES

- ~~89.4~~ In these Rules, the following words and phrases have the meanings given below:
- 89.1.~~4~~ "A person claiming through a Member": includes an heir executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a Member's share after his death. It would also cover executors of a former Member.

- 89.4.2 "Association" means the registered social landlord referred to in Rule 1 whose Rules these are.
- 89.4.3 "Board" means the Board of Management (or such other term that is used by the Association to denote the governing body of the Association) referred to in Rule 37.1.
- 89.4.4 "Board Meeting" means a meeting of the Board.
- 89.4.5 "Board Member" means a member of the Board.
- 89.4.6 "Chairperson" means the Chairperson of the Association (or such other term that is used by the Association to denote the holder of this office) referred to in Rule 59.1.
- 89.4.7 "charitable" means both charitable under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- 89.4.8 "clear days" excludes, in relation to the period of a notice, the day after the notice is posted (or, in the case of a notice sent by electronic communication~~means~~, the day after it was sent) and also the day of the meeting.
- ~~89.1.9 "Close Relative" means someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister.~~
- 89.9 "electronic communication" has the meaning given in the Electronic Communications Act 2000.
- 89.4.10 "Financial Conduct Authority" means the registering authority for societies registered under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 set up in terms of the Financial Services Act 2012 or its successor body.
- 89.4.11 "Group" means the Parent, the Association and any Subsidiary from time to time.
- 89.4.12 "Group Agreement" means the written agreement from time to time between the Association and the Parent in relation to the objectives and operation of the Group.

- 89.4.13 "Guarantee" means any guarantee and includes any obligation (including as primary obligor), including a contract of indemnity or suretyship, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any Subsidiary or any other person.
- 89.4.14 "Independent Board Member" means a Board Member who is neither a Tenant Board Member nor the Parent Appointee.
- 89.4.15 "Meeting" means a general meeting of the Association, whether special, general or annual referred to in Rules 20-23.
- 89.4.16 "Member" means a member of the Association whose name is entered in the Register of Members.
- 89.4.17 "Office Bearer" means the Chairperson, Secretary, and such other Officer Bearer appointed under Rule 59.1.
- 89.4.18 "Office of the Scottish Charity Regulator" means the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland.
- 89.4.19 "organisation" means a legal body which exists separately and distinctly from its members and includes companies, building societies, community benefit societies, local authorities and so on and also for the purposes of these Rules includes unincorporated organisations such as social clubs, branches of political parties or trade unions and other voluntary bodies.
- 89.4.20 "Parent" means Wheatley Housing Group Limited, a company incorporated in Scotland (company number SC426094), and a registered social landlord (registration number 363) and having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.
- 89.4.21 "property" includes everything which can be passed on by inheritance (including loans, certificates, books and papers).
- 89.4.22 "Register of Members" means the register of members referred to in Rule 64.

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

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

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

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

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

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

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

89.4.30 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
