



**CUBE HOUSING ASSOCIATION
BOARD MEETING
Thursday 4 June 2020 at 13.00
By video conference**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of Board Meeting held on 4 February 2020 and matters arising
4. Business update
5. Framework for start-up and renewal of activity
6. Annual Return on Charter and year end performance
7. a) Finance report and 2020/21 budget
b) Bank of England facility application
8. Alertacall expansion
9. Governance update
10. AOCB



Report

To: Cube Housing Association Board

By: Laura Henderson, Managing Director

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

Subject: Business update

Date: 4 June 2020

1. Purpose

1.1. This report provides an update on our response to the impact of the current Coronavirus crisis on our tenants 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. The Board has been kept regularly apprised of our progress through email updates.

3. Risk appetite and assessment

3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:

i. Customers - risks that our customers may suffer hardship and distress, not just through the risk of catching or through having the virus itself, but through the current government measures causing other effects such as hunger, isolation and mental and physical health problems

ii. Staff - risks that staff are exposed to the virus, especially those engaged in customer-facing activity; that we have a reduced workforce due to illness and/or self-isolating, and that those working from home may not be able to function effectively

iii. Financial viability - risks to our financial position, such as increasing rent arrears and reduced cash flow

3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

4. Background

- 4.1 This report provides a further update to Board members on our contingency operations to support both essential business and the new issues that we and our tenants face.

5. Discussion

(i) How we are supporting customers

- 5.1 We have determined the services which are essential for our customers and continue to provide these. The provision of services has evolved over the eight weeks as we gain experience of the “new normal”. Core services can be categorised into:

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

- 5.2 Some specific examples to give a flavour of the support we are giving to customers are contained in Appendix 1.

Keeping our customers safe in their homes

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

- 5.4 **Life and limb repairs** continue and for the month of April, we undertook 444 essential repairs for Cube customers. These repairs include items such as front doors, burst water supply pipes causing flooding and no heating or power at a property.

- 5.5 The **gas safety service** has developed as the coronavirus emergency measures continue. We are now finding that some of our customers do not wish to allow tradespeople into their homes to undertake a service whether they are shielding or not. Our approach is in line with Scottish Government advice – where customers refuse a service or are unavailable, they are added to a list of refusals due to Covid – 19, with detailed notes made of the discussion with the tenant and the reason for refusal. We will contact these customers as soon as the lockdown comes to an end to ensure servicing is completed. To date 7 gas certificates have expired across Cube properties from over 1,388 homes with gas appliances.

Supporting our customers in a time of a crisis

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

5.7 Our housing officers are maintaining **regular contact** with customers and so far have spoken with over 2600 customers (almost 75% of our households). This contact has a particular focus on those who may be vulnerable (such as older customers) and also those who may have issues with paying rent – including those who currently use face to face payment or who have missed a rent payment. We have also worked with strategic partners to identify which households are in the ‘at risk’ category for health and have undertaken targeted support calls to those households. A further source of contact is through our call centre contacting customers out with office hours and environmental staff who can make local contact while abiding by all social distancing requirements.

5.8 A priority in these calls is to identify any customer wellbeing issues and our housing officers have been highly effective in identifying needs for food, fridges, benefits advice and a range of other issues. In addition to arranging support through the suite of services we offer across the Wheatley Group, housing officers, wardens and environmental officers have been adept at going the extra mile to find solutions to very specific needs. Examples of this include finding ways to install new fridges and washing machines, helping customers sort TV and computer issues to minimise isolation, directly accessing specific items such as medicine and baby requirements through shops or online services. We have helped to provide mobile phones for customers to assist with making UC claims. Some examples of the support given are included in Appendix 1.

5.9 Our **Eatwell** service has been massively expanded to deal with the current crisis. This has been supported through £250,000 of funding from within the Wheatley Group. Over 13,000 packs across Group have been delivered as shown in the graph below.



5.10 The contact through Cube staff has been crucial in identifying those with a critical need for food. The service, which was formerly only available to our customers living in Glasgow, has now been made available to all Cube customers, with vital groceries now being delivered to customers in all of our local authority areas. There has been hugely positive feedback on the quality of the food parcels.

5.11 The service continues to evolve; we have set up a local distribution hub at the heart of our Wyndford estate which is coordinated by our environmental team. This helps to ensure that the service is less reactive and that deliveries can take place very quickly. The service has been able to respond to some very acute need by providing deliveries not only in the same day but often the same hour. We have delivered over 600 essential food parcels to our customers.

- 5.12 **Additional support** is also available to our tenants through welfare benefits advice, fuel advice and some limited furniture provision where this is essential. Our welfare benefits advisors have provided help and support to some customers in very desperate times, helping them to apply for benefit and to navigate appeals and tribunals. The crisis has meant that the advisors are speaking to many customers that they have not previously been in contact with and this has provided an opportunity to increase benefits for many households.
- 5.13 Advisors have very successfully adapted to the new experience of appeals and tribunals by telephone, frequently at short notice, often achieving very successful outcomes for customers. Our fuel advisors have helped a number of customers who had run out of credit and had no power. They have also helped achieve a smoother and faster process for utility connections in the homes that we are leasing to local authorities for temporary homeless accommodation.
- 5.14 The **Wheatley Foundation Emergency Response Fund** has enabled our staff to support customers with needs which extend beyond food and benefits. Some of the main items funding has been used for are:
- Mobile phones to help people maintain contact while in lockdown;
 - Activity packs to help entertain and educate children which includes puzzles, Play Doh and Lego;
 - Fridges and washing machines where customers had none or these had broken down;
 - Baby supplies, pet food and other items not covered by Eatwell packages.

Supporting the provision of emergency homeless accommodation

- 5.15 The requirement for homeless individuals and households to self-isolate or shield has significantly increased the pressure on the availability of temporary accommodation. We have offered suitable voids to our key local authority partners, with six Cube properties in Glasgow already handed over to the local council as temporary lets.
- 5.16 Further to the above, liaison is also underway with relevant agencies in relation to accommodation requirements for those fleeing domestic abuse and for the planned early prisoner release.

Wheatley 360

- 5.17 The service model for Wheatley 360 has been completely realigned in many areas to ensure safe working and, as far as practically possible, services continue to be delivered.
- 5.18 The anti-social behaviour investigation team continue to deliver a service via home working and they are providing a same day response for all ASB complaints received from Cube customers. All serious incidents are being progressed via partner agencies, in particular Police Scotland, who are still able to provide a physical presence and carry out onsite investigations. The focus of the team is to provide reassurance to all complainers, log and record all complaints and to triage complaints to ensure the most serious and repeat complaints receive the appropriate response. The table below summarises the caseload for Cube over the last six weeks.

Six Week Period	Total No of ASB Incidents Recorded	Cat A	Cat B	No. Of Advice Only Calls Made	No. of Customers Contacted to discuss their report	No. Of Cases escalated to other Agencies
23.03.2020 - 3.05.2020	150	11	135	54	97	33

- 5.19 Fire safety remains a key priority for us and our multi-storey blocks continue to be fully operational and manned appropriately. Our resources have been realigned and shift patterns reconfigured to ensure this continues to be the case. We are adhering to social distancing guidance but core work in relation to fire safety and additional cleaning is being carried out on a daily basis. Importantly our multi-storey staff are also providing a vital point of contact and assistance while people are in lock down.
- 5.20 Following the suspension of our grass cutting and close cleaning services a smaller environmental team has continued to operate to patrol all stock types and areas on a daily basis and remove bulk and other items which are a fire safety risk. They have also assisted older or more vulnerable customers who have been unable to move their waste to the correct area and are playing a key role in the delivery of our Eat Well food packages. Our environmental teams have demonstrated a great “Think Yes” approach to helping our customers and their dedication has been recognised by many of our customers, with some examples of this included at Appendix 1.

Working with local organisations

- 5.21 In Wyndford and the surrounding area, Cube are working with local community organisations including G20 Youth Festival, North United Communities and the local St. Gregory’s Church to assist with referrals and the coordination of essential food items to vulnerable households.
- 5.22 We have also supported local charity North Glasgow Healthy Living Community who deliver ‘Saturday night takeaway’ food packs to those experiencing hardship in the Wyndford area. Working closely with housing officers to identify families in need, 54 packs were distributed over last two weekends.

Other developments

- 5.23 Over the last 7 weeks as a Group we have maximised the benefit of our strong partnership relationships with Government, local authorities and other agencies to try to ensure the best results for the housing and care sector and most particularly for our customers.
- 5.24 Our Group Chief Executive attends virtual meetings of the Scottish Housing Resilience Group which helps to advise the Scottish Government in relation to housing policy through lockdown and beyond. We have used this forum to ensure that the Government is aware of issues on the ground, to encourage changes to guidance and legislation where this is required and to provide support to lobby for change elsewhere.

5.25 We have been able to lobby the DWP, Scottish and UK Governments around key asks and issues, particularly in relation to improving the customer experience around making a claim for Universal Credit, the challenges faced by our customers in applying and the impact that issues such as the 5-week wait were having on customers.

Future developments

5.26 We are currently investigating a number of other avenues to support our customers and stakeholders and to continue to evolve our emergency business model:

- Working in partnership with organisations specialising in support to those facing domestic abuse to ensure pathways to assistance and potential provision of accommodation;
- Liaising closely with Scottish Government to seek additional funding to support our communities in relation to non-food items. We 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 tenants. In particular, we have written to the Secretary of State for Work and Pensions to request changes in areas such as allowing backdating of benefit payments, deducting rent automatically from advances received by claimants and ending the five-week wait for the first payment under Universal Credit;
- Reviewing options for business priorities in the first phase of any easing of lockdown; and
- Working with partners to support the early prisoner release programme.

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

5.27 Across our services we have supported the “Stay Home, Stay Safe” approach by ensuring all noncritical staff are working from home. This includes:

- All housing officers;
- All central support staff;
- Care staff who are providing support by telephone;
- Our 24-hour call centre – 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 rooms in MSFs and LivingWell; and
- Suspending our new build development at Westcliff and ceasing all investment works.

5.28 We are following the Scottish Government’s guidance in respect of staff working with customers, for example our Environmental Teams undertaking cleaning within our multi-storey blocks. Occupational Safety Manuals have been updated with the relevant guidance about when and where to use personal protective equipment and how to implement social distancing requirements. This has been supplemented by an additional message from the Chief Executive to reinforce the guidance. Staggered lunch breaks and altered work patterns have also been put in place where necessary to maintain social distancing.

- 5.29 Phone and video-conference meetings have replaced face to face contact for our housing team, with colleagues 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.
- 5.30 Given the extent of activity we have suspended, we are proposing to make use of the new UK government scheme to put one member of Cube staff on a temporary leave of absence, known as “furlough”. This staff member will continue to be paid in full, with no interruption to their benefits or pension service. The furlough period must be reviewed at 3 weekly intervals, and staff can come and go from the list at these break points.
- 5.31 We are tracking 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. In addition, the confidential 24/7 support service is available for all staff. 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) Financial viability

- 5.32 Income collection is a core part of our function and without that income we will not be able to provide the support and accommodation our customers need. Housing Officers and our colleagues at the Hub have had a firm focus on this work throughout the lockdown period. Those with missed payments, direct debit rejections or who make their payments through face to face methods have been contacted.
- 5.33 Contact is provided in a supportive manner to identify the issues that customers face. Daily tracking of income shows new UC cases and customers with increasing arrears balances which indicates where attentions and support needs to be directed.
- 5.34 Our conversations help customers to switch payment methods where that is helpful to them. Where customers are furloughed we have managed amendments to direct debits to be paid once they receive income. Where they may have other issues we are able to support access to power and review of benefit entitlement. Our ability to support customers through wider assistance has received outstanding feedback and helps them to recognise the need to pay their rent where they can.
- 5.35 The biggest challenge in rent collection is the number of tenants who now need to move onto Universal Credit. Many of these customers have no previous experience of the benefits system and are delighted to receive much needed advice and support through this journey. The number of customers on UC has increased by more than 130 (19%) last month, with the numbers applying at an all-time high early in April compared to an average of 40 new cases per month. While numbers have now steadied there is a risk that there will be further waves of unemployment and income reduction as the health emergency has an increasing economic impact.

- 5.36 Since 23 March 2020, our Welfare Benefits and Fuel Advisors have supported more than 160 Cube customers with benefits and fuel issues, making Universal Credit and other benefits claims. These have often involved using video and conference calling to assist customers to explain their situations to DWP and other advisors. Our Tenancy Support Service Plus team have also received 20 new referrals and have been delivering advice, support and guidance over the phone and via e-mail to help our most vulnerable customers to successfully make UC claims. Our staff will also routinely make referrals for customers to receive Eat Well packages, support from local groups able to provide hot food and other help, draw down assistance from our Emergency Response Fund and make applications to a wide range of other appropriate bodies and service providers to meet any other customer needs they have identified.
- 5.37 We have accelerated our use of bulk texting to customers. Initial use of this has been around supportive messaging that we are here to help and we are now focusing targeted messages to those who have missed payments. The next phase of messaging will provide links to the payment site so that customers can easily pay when they are reminded, if they have the means to do so. This service is expected to launch in the next few weeks.
- 5.38 We anticipate an increase in rent arrears beyond the initial impact of customers moving onto UC. However, we are working hard to ensure that customers make payment to their rent where they have received a DWP advance payment and that we are engaging with customers to set up a Direct Debit for ongoing payments at the same time their UC payment is due. Where a customer had been furloughed but had not received any pay, we are now starting to receive payments from these customers.
- 5.39 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. We are working closely at a local level with third sector organisations to benefit local communities.

10. Implementation and deployment

10.1 Co-ordination of all Cube Housing activity continues to be led by the Managing Director and Head of Housing.

11. Equalities impact

11.1 None noted.

12. Recommendation

12.1 The Board is asked to note this update.

Appendices

Appendix 1: Supporting our customers – some examples

Appendix 1: Supporting our customers – some examples

- One of our housing officers referred a vulnerable customer to our Tenancy Support Service Plus, who were able to assist with some problems they had been experiencing with a Universal Credit claim. This intervention and assistance helped the customer secure over £1,200 in backdated housing costs.
- A Customer at Broomhill Lane contacted us to thank the environmental team for doing such a great job, saying 'the place is spotless'.
- During a welfare call, we found out that one of our elderly and vulnerable customers had her twice daily homecare suspended and as such her son was having to visit each night to make her dinner, when he himself has serious underlying health conditions. The housing officer immediately contacted Cordia to explain the ladies' vulnerabilities and they agreed to put support in place.
- After supporting one of our customers with their rent payment and welfare benefit advice, the housing officer received a lovely text message saying 'Thanks for everything, you really are a special person'.
- Our environmental team received a call via our Hub asking if they could assist one of our customers at [redacted], he is 94 years old and was unable to replace the lightbulb which had gone out in his bathroom. On arrival at his home, they discovered the lightbulb was a specialist type bulb and not something that could easily be sourced. Thinking outside the box, they removed the correct type of bulb from one of our void properties and restored light to this customer's bathroom.
- Wheatley Emergency Response Fund was used to buy a tenant a fridge freezer after her existing one broke down – the household had had no means of storing food until staff stepped in. The customer got in touch to say: 'Thank you, I couldn't have afforded a replacement, this has been a huge help'
- Customer was contacted by her housing officer and advised she had lost her job and it was unlikely that she would receive any money for over a month. We arranged for an emergency Eat Well delivery to the customer and also assisted with £120 payment to the customer from Aberlour Urgent Assistance Fund to help the customer with food and electricity.
- Customer in Wyndford has a son with ADHD and had discussed with housing officer how she was finding it difficult to keep him busy. HO arranged for Lego to be delivered from Wheatley Emergency Response Fund.
- After the local authority in North Lanarkshire were unable to pick up bulk that was left in their street, the housing officer asked for assistance to clear this, the environmental team responded and cleared the items much to residents delight.
- A 5-year-old who lives in one of our MSF in Broomhill made a heartwarming thank you to our environmental team by gifting a rainbow picture he had drawn, with the message in his neatest handwriting: 'thank you for coming to work every day to help keep us safe'.

- When one of our housing officers couldn't reach a vulnerable elderly customer, she enlisted the help of [redacted], part of our environmental team to knock on his door and see if he was ok. He discovered the customer didn't have a phone and was running low on essential supplies. [redacted] went to Tesco and got him some shopping and his housing officer made sure he would receive a food delivery each week via our Eat Well service. This customer has also been included in our recent Alertacall rollout. He is delighted with the support provided.
- Whilst arranging for a food delivery for a customer who is shielding, we learned that they were feeling very anxious as their heart medication was about to run out. We contacted our environmental team who were able to pick up the prescription and deliver it to the customer, who was overjoyed and very grateful for the help.
- A care provider at one of our Homelink properties had contacted our Hub to request a repair to a lockable cupboard which held a fridge storing the food of an extremely vulnerable resident with complex needs. Due to a restricted repairs service, this was not considered an emergency, however would have caused a great deal of upset and risk to this customer. The housing officer instead arranged for a new fridge through our Wheatley Emergency Response Fund which was delivered very quickly and could be kept in a lockable office alleviating the concerns of the care provider who thanked us for all our assistance.



Report

To: Cube Housing Association Board

By: Laura Henderson, Managing Director

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

Subject: Framework for startup and renewal of activity

Date of Meeting: 4 June 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, concierge in multi-story flats, many care activities and a huge expansion in our EatWell service, to provide food to those in need.

5. Discussion

- 5.1. On Thursday 7th May, the Scottish Government announced that the current lockdown-style restrictions will continue for at least another three weeks. However, there has been progress in reducing the rate of infection nationally, and signs that at the next review, there may be some easing of restrictions of movement and contact. 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 the discussed.

Housing and Environmental Services

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

- Housing officers all working from home
- Call centre staff all working from home
- Priorities have been welfare calls, referrals for food distribution and supporting tenants who have had difficulties paying their rent, eg phone/online benefits advice
- Concierge presence retained in multi-storey blocks, including cleaning and fire safety checks.
- Grass cutting and other environmental maintenance and cleaning generally suspended
- Letting of new homes suspended and all void properties offered to local authorities for homeless people under lease arrangements
- Reduction in our police resource through the Community Improvement Partnership, as these staff have been recalled by Police Scotland (although our remaining resource has continued to be focused on areas with the most acute anti-social behaviour and serious crime issues)

5.6. *Potential operating model: June to September*

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

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

on face to face collections and act as a point of referral for the rest of the housing officers. We would temporarily expand some patch sizes to cover those of the re-allocated housing officers.

- 5.8. These staff will be exposed to a greater degree of risk than home-based housing staff. They will operate on the premise of maintaining two-metre social distancing when talking to customers. They will also be provided with suitable PPE, including the minimum grade of face mask recommended by the Scottish Government and World Health Organisation for care providers dealing in close quarters with patients who may be infected with Covid-19, known as an “FFP2” mask. A comprehensive PPE strategy will be required across all of our activity to ensure no staff are left without appropriate protection.
- 5.9. Having suspended non-essential environmental maintenance and cleaning activity, we now propose to reintroduce these tasks. However, our local environmental team leaders will continue to use judgement on whether social distancing can be maintained, and in some cases the layout of buildings (such as narrow closes/stairwells and a large number of people passing close by during cleaning) might make this impractical. Again, we would provide staff with suitable PPE in line with Scottish Government guidance. Our guidance to staff will have to evolve in some areas, such as travel; continuing to give clarity in areas such as the numbers of people who can travel in vans.
- 5.10. We have been operating a rapidly growing emergency food offering to vulnerable customers through our EatWell service. This was successful in 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 views would need to ensure the housing officer “hangs back” two metres at all times, and in some properties this might mean waiting outside the front door which a prospective customer views a property. Similarly, issues of utility connections and signing tenancy agreements which typically involved close personal contact, would need to be done in new ways. Tenancy agreements could be signed in electronic form (simple to do in pdf on an iPhone, for example), or handled with disposable gloves, placed on a table from which the housing officer then backs off, etc. It remains to be seen whether removal services will be available to customers, although this could in theory be done while maintaining social distancing.

Factoring

[5.12 to 5.14 redacted]

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 done only by City Building in Glasgow for the Council as part of its role in letting to homeless customers; no direct void work done for us
- Fire risk assessments suspended
- Gas servicing not enforced where customer refuses

5.16 *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, including in high-rise blocks
- Resumption of enforced gas servicing and prioritisation of catch up on those which have exceeded 12 months since the last service

5.17 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 teams working on getting void properties into lettable condition. Even during lockdown, we have experienced around 4 people giving up their tenancy each week, generally to move in with family, the tenant has passed away or due to other personal circumstances.

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 daily patrols and fire safety checks in multi-storey blocks, but we anticipate resuming our programme of high rise fire risk assessments. These are typically carried out by a single assessor, and form an important part of keeping our customers safe. Similarly, while we have been using our best endeavours to ensure customers have gas servicing carried out within the legal 12-month timeframe, we have not been enforcing this since late March in cases where customers repeatedly refuse entry. This would change to an enforced provision for social housing.

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.

5.23 **Back-office support services**

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

- All working from home

5.25 *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

5.26 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.

5.27 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.

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

- 5.29 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

- 5.30 *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

- 5.31 *Potential operating model: June to September*

- Continuation of current arrangements

- 5.32 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 housing officer arrangements and number of void teams required
- A comprehensive communication strategy will need to be developed for all staff, customers and stakeholders to explain clearly what our phase 2 model is, and why and how we will restart certain services

6.2 We currently have only 1 member of staff directly on furlough, however 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, we will use our role on the National Housing Resilience Group, as well as other contacts with the Scottish Government to make the case that a wider group of staff should be designated as “key workers” moving into the next phase of the country’s pandemic response. This would include, but not be limited to:

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

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

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

- An assessment of how our service model stood up to the current environment, and what lessons can be learned from this;
- Linked to this, a review of our 2025 strategy, including areas such as our approach to office accommodation, remote working and new build targets (noting we have significantly accelerated parts of this through our current home working arrangements);
- An evaluation of how effective our stakeholder management has been and what lessons can be learned from our experiences;
- How we continue to support our most vulnerable customers, including those who may be on the shielding list for some time to come

7. Value for money implications

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

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

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

10. Implementation and deployment

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

11. Partnership implications

11.1 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:- Cube Housing Association Board

By:- Laura Henderson, Managing Director

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

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

Date of Meeting:- 4 June 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 Cube and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Cube Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring of performance against agreed targets. In the case of Cube, this includes the on-going performance of its services. In addition, the Group Authorising Framework states that the Cube 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.

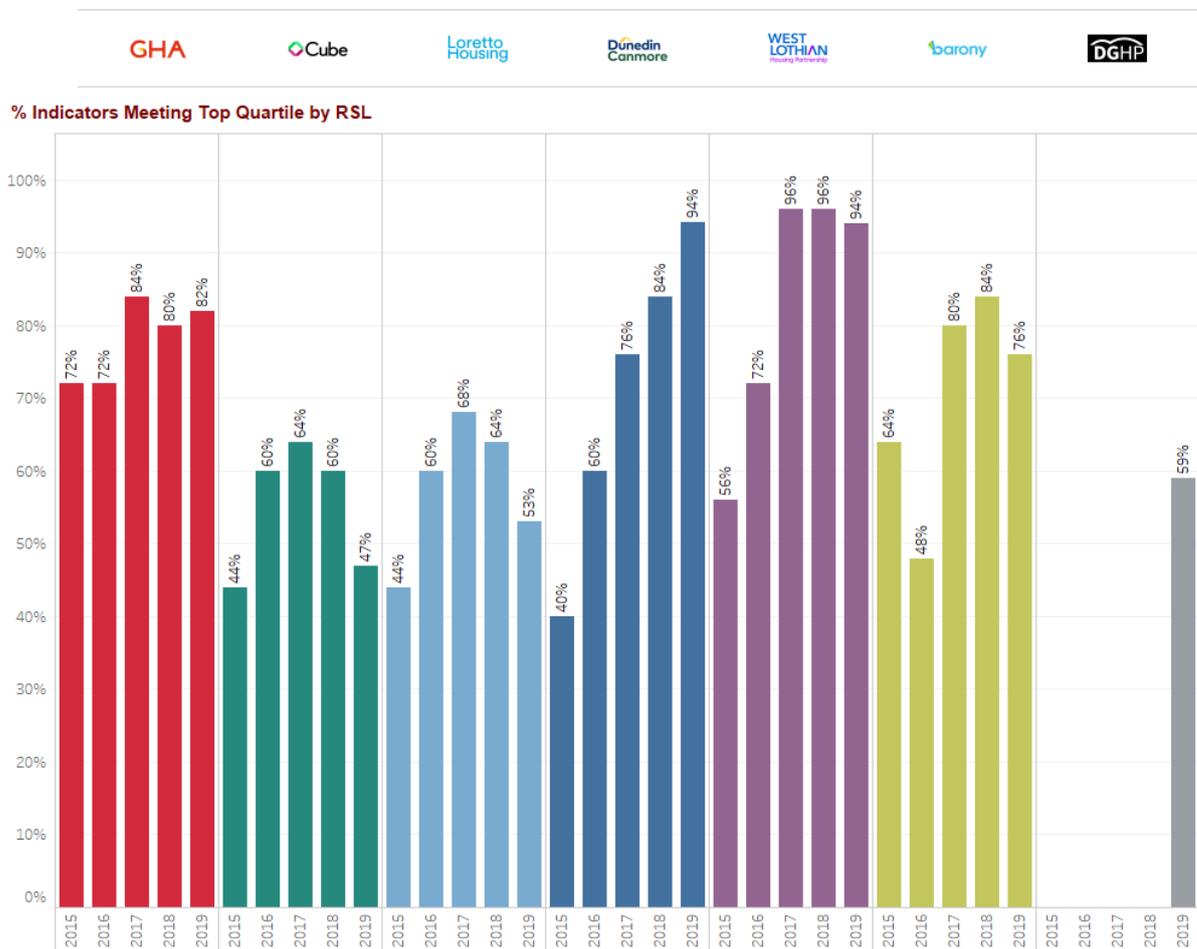
4.2 Due to COVID19, this deadline has been extended to 31 July 2020. Results for all organisations will be published on the Scottish Housing Regulator (SHR) website later in the year; we are awaiting confirmation of when this will be. These enable tenants and others to compare results between organisations.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

5. Cube Performance

5.1 The key strategic aim in terms of RSL performance across the Group is to demonstrate excellent performance by ensuring that 80% of Charter indicators are at top quartile levels by the end of the strategy timescale in 2019/20.

5.2 The graph below shows progress to top quartile for each subsidiary across Group. This shows that Cube reduced in 2019/20 from 60% in the previous year to 47% of ARC indicators at top quartile level as set out in the strategy.

5.3 Appendix 1 show the draft final results for submission in the ARC together with last year's performance to show trends and a comparison to top quartile.



5.4 Indicators that have improved this year and achieved top quartile include:

- Average time taken to re-let properties has improved from 20.1 days to 17.26 days, we were on track to achieve our 17-day target, however the impact of Covid 19 caused some delays in letting properties in March. We still achieved top quartile for the first time for this indicator;

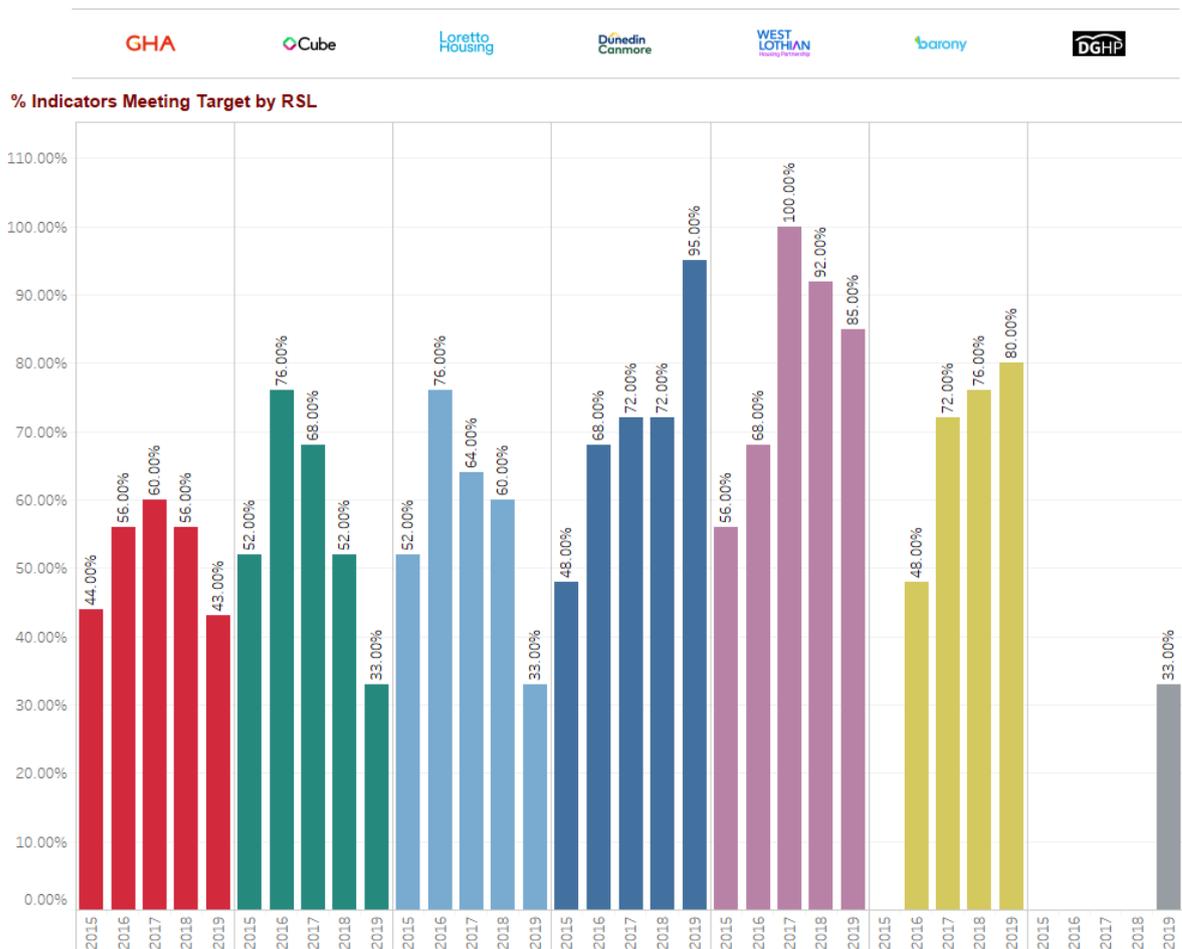
- % of repairs carried out right first time increased slightly upon last year's figure from 96.58% to 96.75% and remains top quartile;
- % of tenants satisfied with repairs or maintenance carried out in last 12 months has increased from 94% to 95%, achieving both our target and top quartile;
- Average time to complete approved applications for medical adaptations reduced from 21.38 days to 15.67 days remaining under target and top quartile.

5.5 We had a reduction in 2019/20 for one indicator that previously achieved upper quartile:

- % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision-making processes. Reduced from 89% to 80%.

Customer satisfaction measures are considered further below.

5.6 Each year the Board approves targets for Cube to either maintain current good performance or to stretch performance to meet or exceed top quartile. Cube has met seven of the targets set for the 21 measures for 2019/20. Six of the remaining targets are in amber variance of 0-10% of the target. Most of Cube's targets were set at or above the top quartile benchmark. The graph below shows how this compares to other parts of the Group. However, it should be noted that each partner has targets set to its own performance context.



5.7 The issues proving most challenging tend to be unique to each subsidiary, and some key indicators where we did not achieve target include:

5.8 Customer Satisfaction Indicators

- % 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
- % Annual existing tenants satisfied with the quality of their home – we are just below target on this indicator however, do meet top quartile.
- % Annual tenants who feel that the rent for their property represents good value for money – although we have seen great improvement in this indicator, we remain under target.

Following the results of the annual satisfaction survey, a detailed action plan will be put in place which drives to improve the customer satisfaction in areas where it is low.

5.9 % Tenancy offers refused during the year remains a challenge for us with this indicator at 46% compared to 25% target. This challenge is particularly relevant in our 26 storey blocks within our Wyndford estate which account for half of our refusals, and the highest reason for refusal is no response to offer.

5.10 % Gross rent arrears remains a challenge across all subsidiaries as we continue to manage the impact of Universal Credit on performance. Cube achieved 5.2% for 2019/20 against a 4.6% target. This is in an increase from 4.9% in 2018/19. This increase is attributable to our Universal Credit arrears as our non-universal credit arrears have continued to reduce.

5.11 We have also seen improvements in the following indicators:

- % Annual tenants who feel that the rent for their property represents good value for money has seen a significant improvement from 63.59% to 73.35%.
- % New tenancies sustained for more than a year increased from 87.19% to just over 88%.
- % Rent due lost through properties being empty reduced from 0.56% to 0.50%.
- % New tenancies sustained for more than a year was 88.02% and although remains under the target of 92.5%, it is the highest this indicator has been since 2016/17.
- % Rent due lost through properties being empty was 0.5% and although did not meet target of 0.4%, has improved from 0.56% in 2018/19.
- % Lettable houses that became vacant across Cube reduced from 10.88% to 10.34%.

6. **Value for money implications**

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

7. **Impact on financial projections**

7.1 No implications.

8. Legal, regulatory, and charitable implications

- 8.1 We are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are also included in our regular performance reporting. The Board approves the final return and this information is included in the year end performance report to the Wheatley Group Board. We are also required to involve tenants in the scrutiny of performance (this is done through our Tenant Scrutiny Panel) and to report to tenants annually.

9. Partnership implications

- 9.1 Reports can be used to identify areas where partnerships need to be strengthened or amended to help us achieve our strategic vision.

10. Implementation and deployment

- 10.1 Not required.

11. Equalities impact

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

12. Recommendations

- 12.1 The Board is asked to:

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

List of Appendices

Appendix 1: 2019/20 Draft ARC results

Cube Charter Indicators	2018/19 Results	2019/20 Draft Results	19/20 Target	TQ
ARC survey questions measured annually				
No new factoring satisfaction survey in 2019/20				
01. % Annual tenants satisfied with the overall service	89%	86%	91%	91%
02. % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions	91%	86%	93%	93%
03. % Complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	New	100%	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	4.57	Baseline Year	
05. % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	89%	80%	90%	86%
06. % Stock meeting the Scottish Housing Quality Standard (SHQS).	98.81%	99.07%	98.2%	97.28%
07. % Annual existing tenants satisfied with the quality of their home	89%	89%	90%	89%
08. Average time to complete emergency repairs (hours)	2.46	2.95	3	4.04
09. Average time to complete non-emergency repairs (working days)	5.1	5.41	5.5	8.49
10. % Reactive repairs completed right first time	96.58%	96.75%	97.50%	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 a gas appliance being fitted or its last check.	New	0	0	
12. % Tenants satisfied with repairs or maintenance carried out in last 12 months	94%	95%	93%	92%
13. % Annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	New	80.35%	Baseline Year	
14. % Tenancy offers refused during the year	35%	46%	25%	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	87.19%	88.02%	92.5%	92.44%
17. % Lettable houses that became vacant	10.88%	10.34%	9.00%	7.33%
18. % Rent due lost through properties being empty	0.56%	0.50%	0.44%	0.44%
19. Number of households currently waiting for adaptations to their home.	New	0	Contextual	
20. Total cost of adaptations completed in the year by source of funding (£).	New	£110,403	Contextual	
21. Average time to complete approved applications for medical adaptations (calendar days)	21.38	15.67	25	36.34
22. % Court actions initiated which resulted in eviction - overall	52.63%	60%	25%	
23a. % Referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	New	49.97%	Baseline Year	
23b. % Offers made to LA Section 5 and other referrals for homeless households that result in a let.	New	69.53%	Baseline Year	
25. % Annual tenants who feel that the rent for their property represents good value for money	63.59%	73.35%	83%	83%
26. Rent collected as % of total rent due	98.78%	98.52%	99.20%	
27. % Gross rent arrears	4.9%	5.2%	4.6%	3.5%
28. Average annual management fee per factored property.	£146.79	£184.22	Contextual	
29. % Annual owners satisfied with the factoring service	40.91%	40.91%	65%	
30. Average length of time taken to re-let properties (calendar days)	20.1	17.26	17.00	17.31
Meeting Top Quartile				47%



Report

To: Cube Housing Association Board

By: Gillian Ogilvie, Finance Manager

Approved by: Pauline Turnock, Director of Financial Reporting

Subject: Finance Report for the period to 30 April 2020 and 2020/21 Budget 20/21

Date of Meeting: 4 June 2020

1. Purpose

- 1.1 The purpose of this report is to provide the Cube Board with an overview of the management accounts for the period to 30 April 2020, seek approval for the 20/21 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 Cube Housing and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Cube Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

3. Risk appetite and assessment

- 3.1 Our agreed risk appetite in Cube's 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".
- 3.2 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.

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 For the month to 30 April 2020 Cube has a statutory deficit of £120k, which is £201k favourable to budget. There is no grant income budgeted for recognition of new build completions in the year since housing under construction on existing and future sites is not budgeted to complete until 2021/22. Surpluses and deficits reported are extremely sensitive to the timing of grant recognition.

4.3 The appendices provide more detail on the financial results.

5. Discussion

Finance Report for Period to 30 April 2020

5.1 Cube has reported a statutory deficit of £120k for the month to 30 April 2020, which is £201k favourable to budget. When interest payable, depreciation and grants are removed to show our underlying operating position (“EBITDA”) the result is a reported surplus of £858k which is £160k favourable to budget.

Key points to note:

- Grant income of £37k for medical adaptations is reported, which is £26k higher than budget. This relates to three large jobs undertaken in the month with the budget allocated equally throughout the 12 months of the year.
- Staff costs reported include the claim made under the coronavirus job retention scheme and are £8k lower than budget. A number of staff furloughed are capitalised as part of the new build programme.
- Repairs and maintenance spend to 30 April 2020 reports a variance £96k favourable to budget due to the operation of a “life and limb” service for repairs during the ongoing lockdown period.
- Bad debts are currently £30k favourable to the budget, which has been set on a prudent basis. An additional provision was made in March 2020 for tenants on Universal Credit.

5.2 Cube has reported net capital expenditure of £74k for the period to 30 April 2020, which is £648k less than budget. Key points to note:

- New build expenditure is currently reporting a total spend of £37k, this is £328k lower than budget due to the instruction from Scottish Government to close all construction sites on 23 March 2020.
- Investment programme spend is lower than budget by £295k. As with repairs, the investment programme has been curtailed during the lockdown period. Spend of £58k in the month relates to £37k for medical adaptations, £14k for capitalised staff costs and £7k for capitalised voids. The 2020/21 programme across investment and repairs is being reviewed as the impact of the COVID 19 crisis becomes clearer.

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 £1,784k, and a statutory deficit of £3,363k. When interest payable, depreciation (“EBITDA”) and grants are removed the underlying budgeted surplus is £8,497k.
- 6.3 The operating surplus is lower than the 2019/20 forecast as a result of the reduction in grant income recognised on new build completions, with no properties programmed in the projections for completion in 2020/21.
- 6.4 Net rental income of £18,955k is in line with financial projections and reflects the agreed 3.4% rent increase and a prudent void assumption of 2.2%. It is £796k higher than 2019/20 forecast, due to the rent increase and the full year effect of the additional new build properties completed during 2019/20.
- 6.5 Direct running costs are budgeted at £1,909k, an increase of £94k from the 2019/20 actuals. The majority of the budget covers office and property running costs, including insurance and property rental costs, as well as the provision for the cost of running Cube’s offices in Maryhill and Dumbarton (cleaning, rates and gas/electricity) and Homelink costs (rates and HMO licences).
- 6.6 The 2020/21 budget reports total capital expenditure of £15,505k reflecting Cube’s continued investment in existing and new build properties.
- 6.7 This budget, once approved, will be used as the basis to monitor performance in the management accounts provided to the Board throughout the year.

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 £4,208k which is £2,177k favourable to budget. Excluding interest payable, depreciation and grants our underlying operating position resulted in a surplus of £8,715k, which is £545k favourable to budget.

Key points to note:

- The completion of new build units at Bonhill PS and Dumbain, and the release of related grant to the operating statement, is the main reason for the favourable variance to budget. It was assumed that both of these sites would complete in 2018/19.
 - Revenue repairs and maintenance expenditure is £222k favourable to budget, due to an underspend on cyclical maintenance for the year.
 - Bad debts are £387k favourable to budget, and include an additional provision of £34k for UC movement in the year.
- 7.2 Cube reported net capital expenditure for the full year of £11,659k, which was higher than budget by £1,026k. Key points to note:
- Grant income for new build was £5,772k less than budget with the majority of the variance relating to the Queens Quay development which had a delayed site start date. The budget also included grant claims for spend on new build projects which had not been allocated to specific sites.

- New Build expenditure was £4,873k lower than budget. The reduced spend is due to the delay at Queens Quay and on projects where budget provision had been made but sites had not been allocated. This was partly offset by higher spend on schemes that were still on site at the start of 2019/20 that had been due to complete in the 2018/19 financial year.

8. Value for Money implications

- 8.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. Cube has reported a statutory surplus, excluding interest payable, depreciation and grants to the end April 2020 of £858k, noting that a surplus of £698k was budgeted.

9. Impact on financial projections

- 9.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting and forms the basis for the 2020/21 budget. No material changes have been noted.

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 Finance Report 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

Appendix 1: Cube Finance Report to 30 April 2020

1. Income and Expenditure year to date 30 April 2020	2-11
2. Balance Sheet	12
3. Budget 2020/21	13
4. Income and Expenditure full year to 31 March 2020	14

1. Operating Statement (1) – April 2020



	Period To 30 April 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	1,607	1,615	(8)	19,383
Void Losses	(22)	(36)	13	(428)
Net Rental Income	1,585	1,580	5	18,955
Other Income	51	47	4	636
Grant Income	37	12	26	139
Total Income	1,674	1,638	35	19,730
EXPENDITURE				
Employee Costs - Direct	284	292	8	3,508
Employee Costs - Group Services	61	74	13	888
ER / VR	0	0	0	0
Direct Running Costs	198	205	7	1,909
Running Costs - Group Services	50	47	(2)	567
Revenue Repairs and Maintenance	169	265	96	3,183
Bad debts	15	45	30	543
Depreciation	605	605	0	7,349
TOTAL EXPENDITURE	1,383	1,534	150	17,946
OPERATING SURPLUS / (DEFICIT)	290	105	186	1,784
Interest Payable	(410)	(426)	15	(5,147)
STATUTORY SURPLUS / (DEFICIT)	(120)	(321)	201	(3,363)

Income and Expenditure account – key points

- Both operating surplus of £290k and statutory deficit of £120k are favourable to budget for the month of April 2020. Both EBITDA figures reported are also favourable to budget. The key drivers being other income favourable to budget by £26k due to a higher level of medical adaptations grant coupled with savings in repairs and running costs.
- Rental income received was £8k less than budget, this is due to 24 new build properties at Westcliff that were not completed due to lockdown. These were expected to complete in March 2020.
- Void losses are running at 1.3% versus the budget rate of 2.2% causing the positive variance of £13k. Full year void losses of 0.97% were reported for 2019/20.
- Employee costs are £8k favourable to budget owing to the claim made under the Job retention scheme. Employees recharged from Group Services for Cube's share of Wheatley Solutions staff is also showing favourable to budget.
- Direct Running Costs are favourable to budget by £7k, due to small savings across a number of lines.
- Running Costs - Group Services of £50k represents Cube's share of Wheatley Solutions running Costs and include a share of the costs of unbudgeted PPE for staff.
- Revenue repairs and maintenance expenditure is £96k favourable to budget, due to the operation of a "life and limb" only service in responsive repairs and timing variances in communal electricity costs.
- Bad debts are £30k favourable to budget. An additional provision was made in period 12 of 2019/20 for tenants on Universal Credit.
- Interest is paid on £95.7m of loans due to Wheatley Funding Ltd 1 and in addition loan fees are included here.

1. Operating Statement (2) – April 2020



	Period To 30 April 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	37	12	26	9,827
Investment Works	58	353	295	4,235
New Build	37	365	328	11,082
Other Capital Expenditure	16	16	0	187
TOTAL CAPITAL EXPENDITURE	111	734	623	15,505
NET CAPITAL EXPENDITURE	74	722	648	5,678

Capital Expenditure – key points

- Net capital expenditure of £74k is £648k less than the budgeted spend of £722k.
- Capital investment income reported of £37k is for Medical Adaptations in P1, these have been higher than budget of £12k and are funded by grant income.
- Investment works expenditure of £58k mainly relates to £37k spend for adaptations, £14k of capitalised repairs and staff, and £7k of Void repairs. There was no other Core Programme work completed in the period due to lockdown and a revised programme for Core Programme work is being updated.
- Lower new build expenditure is reported due to the Scottish Government instruction to close all construction sites on 23 March.
- Other capital expenditure of £16k relates to Cube's share of group wide IT investment.

Income - April 2020



Income	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Rental Income	1,607	1,615	(8)
Void Lost Rent	(22)	(36)	13
Net Rental Income	1,585	1,580	5

20/21 Budget £k
19,383
(428)
18,955

Other Income and Grant Income	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Commercial property	4	4	0
District heating scheme	28	22	5
Lockups/garages	5	5	(0)
Miscellaneous	0	0	0
MMR lease income	11	11	0
Phone masts	5	5	0
Total Other Income	52	47	5
Grant Income	37	12	26

20/21 Budget £k
47
335
62
0
135
57
636
139

Comments

Net Rental Income

- Rental Income of £1,607k for the month is £8k unfavourable to budget mainly due to 24 properties at Westcliff not completed in March 2020.
- Void lost rent of £22k in the first month of the financial year is £13k favourable to budget and the YTD void rate is running at 1.3%, slightly higher than last year of 0.97%, and is versus a budget rate of 2.3%.

Other Income

- Other income includes any rental income from non-social housing stock (MMR units, lockups/garages and two commercial properties), and district heating schemes (Broomhill, Collina, Gorget and Kelvindale).
- YTD other income is higher than budget as a result of the higher income in District Heating.

Grant Income

- Income of £37k is reported in relation to Medical Adaptations completed in April.
- No other grant income is reported as there are no new build completions in the month.

Employee Costs - April 2020



Employee Costs	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Salaries	277	280	3
Staff costs capitalised	(43)	(44)	(0)
Pension deficit	51	51	0
Overtime	0	1	1
Temporary/agency staff	0	3	3
Total	284	292	8

20/21
Budget £k
3,366
(523)
607
17
42
3,508

Overtime Costs	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Housing officers	0	1	1
Total	0	1	1

20/21
Budget £k
17
17

Comments

- Employee costs of £284k YTD are £8k favourable to the budget of £292k.
- Salary costs at £277k are favourable to budget by £3k, savings due to Job Retention scheme credit.
- The overtime costs for this year relate to Housing Officers only as the Environmental Teams costs for 20/21 are now being centralised under one overarching team within GHA

Direct Running Costs - April 2020



Direct Running Costs	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
District heating scheme	40	39	(1)
Equipment & furniture	0	2	2
Environmental service (excl. recharges)	15	14	(1)
Group recharges	27	26	(0)
Initiatives	74	75	2
Insurance	13	12	(0)
Misc running costs	9	13	4
Property costs (offices + housing stock)	20	21	1
Staff related costs	1	2	1
Total	198	205	7

20/21 Annual Budget £k
397
27
167
146
423
147
322
253
25
1,909

Initiatives	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Helping Hand (incl Livingwell relief)	8	6	(2)
Tenancy Support Service	16	16	0
Think Yes	1	8	7
Wheatley Foundation	47	44	(3)
Wider Action	2	2	0
Total	74	75	2

20/21 Annual Budget £k
73
192
91
44
23
423

Comments

- Direct running costs of £198k for the month are £7k favourable to the budget of £205k.
- District heating scheme costs of £40k are heat usage, electricity, maintenance, call out charges for operating the scheme and servicing the heat interface units.
- District heating income of £28k is reported in other income, against cost of £40k this yields a net loss of £12k for the month. Note that this does include a significant estimate for Broomhill gas costs.
- Miscellaneous running costs are £4k favourable due to lower spend on travel, postage and marketing items.
- Group recharges includes:
 - Environmental costs recharged from GHA (relating to staff, vehicles, equipment and depot costs);
 - A recharge from GHA for Cube's share of the Wheatley 360 service; and
 - Payment to Loretto Care of Cube's sheltered service charge income (for the Livingwell service provided by Loretto Care at these sites) less related property costs paid by Cube on Loretto Care's behalf.
- The second table provides a breakdown of Cube's initiatives expenditure for the month. Helping Hand is currently reporting an overspend as there has been some increased spend on helping out tenants due to COVID 19, this is being offset by underspend in Think Yes in the month.

Revenue Repairs and Maintenance Expenditure - April 2020

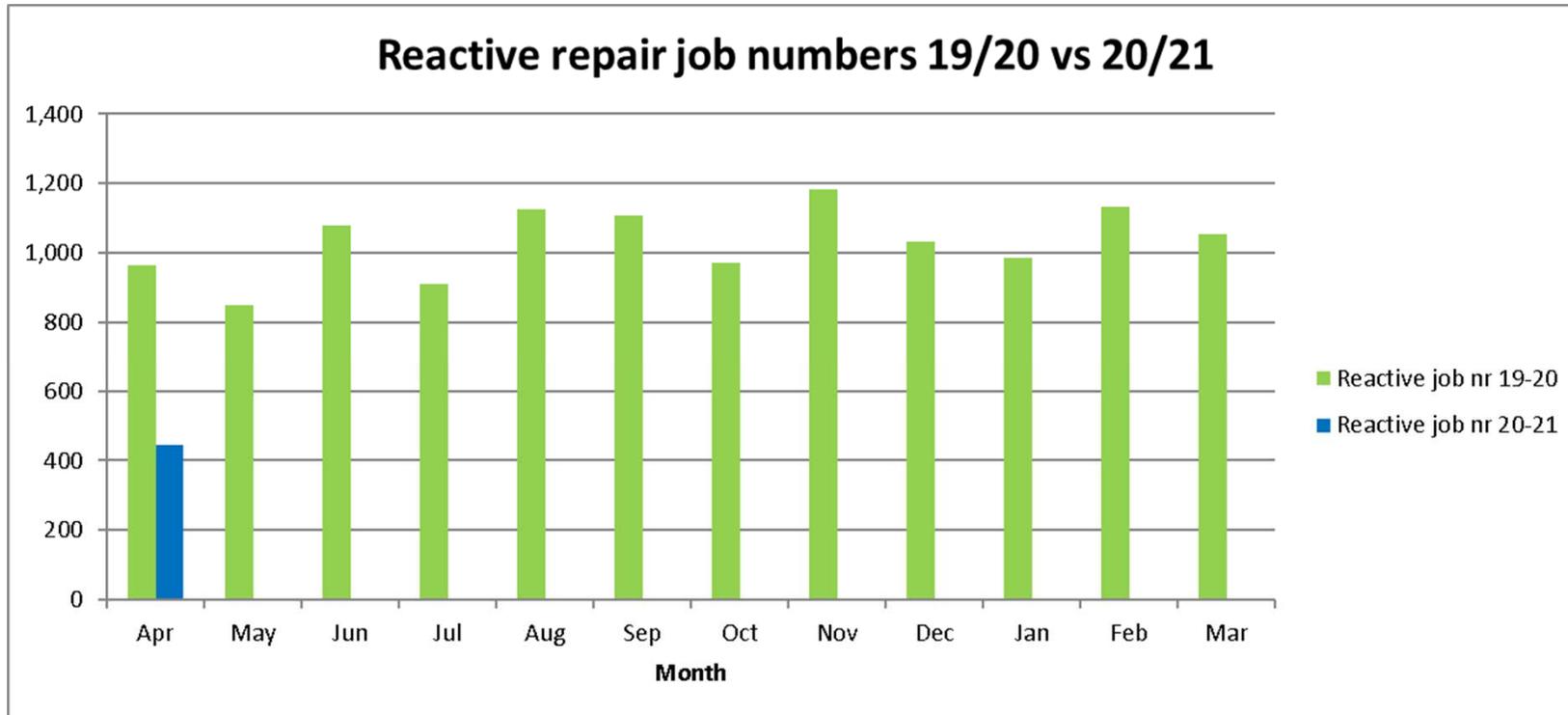


Repairs & Maintenance Expenditure	1 April 2020 - 30 Apr 2020			20/21
	Actual £k	Budget £k	Variance	Budget £k
Communal electricity	15	46	31	547
Cyclical	84	83	(1)	1,056
Cyclical property	0	27	27	324
Other	30	18	(12)	213
Reactive	41	92	51	1043
Total	169	265	96	3,183

Comments

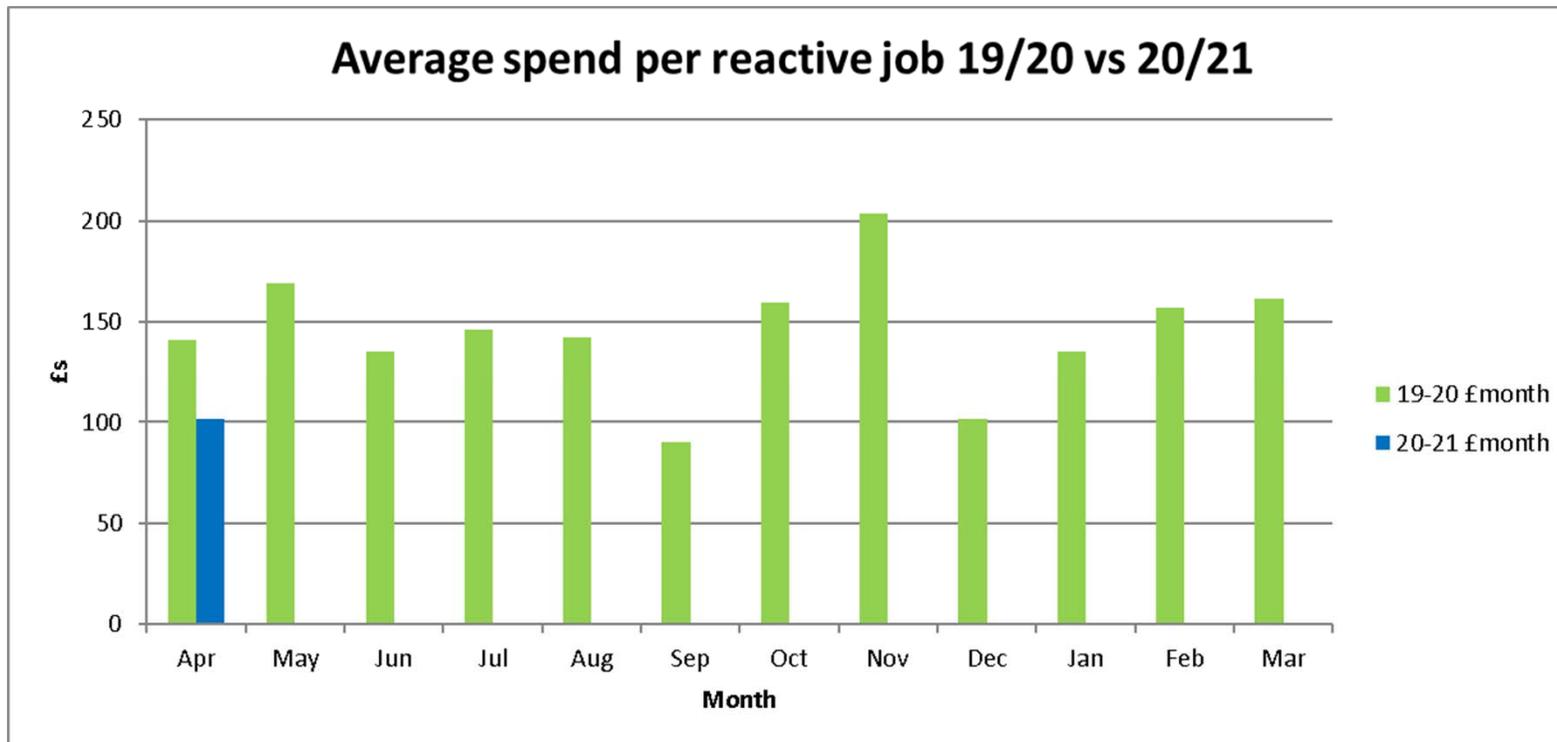
- Total repairs and maintenance expenditure of £169k for April is £96k favourable to the budget of £265k with the repairs service operating on a "life and limb" basis only at this time.
- Communal Electricity is showing savings against budget due to budget phasing.
- Cyclical spend is on budget and consists of Lift Maintenance for MSF's, Fire Safety, M&E, Pumps and Tanks and CCTV maintenance which all have monthly or quarterly charges from various suppliers.
- There is no spend for Cyclical Property in P1, against a budget allocation of £27k. A revised programme has spend anticipated from P3 onwards.
- Other R&M expenditure mainly relates to laundry equipment in MSF's, decant/removal costs, pest control and other responsive repairs.

Reactive repairs analysis (1) – April 2020



Reactive job numbers	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 month	965	851	1,078	909	1,126	1,107	970	1,183	1,031	985	1,132	1,053
19-20 YTD	965	1,816	2,894	3,803	4,929	6,036	7,006	8,189	9,220	10,205	11,337	12,390
20-21 month	444											
20-21 YTD	444	444	444	444	444	444	444	444	444	444	444	444

Reactive repairs analysis (2) – April 2020



Average Spend	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 £month	141	169	135	146	142	90	160	204	102	135	157	161
19-20 £YTD	141	154	147	147	146	136	139	148	143	142	144	145
20-21 £month	101											
20-21 £YTD	101	101	101	101	101	101	101	101	101	101	101	101

- All data relates to completed jobs and is prior to capitalisation of ad hoc capital repairs and rot/mould works.
- The volume of repairs has almost halved in the month of April from last year and is an expected effect of the implementation of the “life and limb” service. The average cost per repair has decreased by 28% which is a result of the profile of repair work currently being serviced.

Investment works - April 2020



Investment Works	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Investment Works Grant Income			
Adaptations	37	12	25
Total	37	12	25
Core programme	14	273	259
Void repairs	7	69	62
Adaptations	37	12	(26)
Total	58	353	295

20/21 Budget £k
139
139
3,263
833
139
4,235

Comments

- Overall investment works expenditure of £58k for the month is £295k lower than the budget of £353k.
- An underspend on Void repairs, and Core Programme repairs is as a result of the lockdown and revised programme going into place.
- The adaptations spend however is above budget, due to 3 jobs that were completed in the month for £14k, £15k and £8k. The budget for adaptations is fully funded by grant income.

Breakdown of core programme	1 April 2020 - 30 April 2020		
	Actual £k	Budget £k	Variance
Capitalised repairs	6	16	10
Capitalised staff costs	8	8	1
Central Heating	0	5	5
Compliance (capital)	0	80	80
Doors	0	0	0
Environmental	0	54	54
Fire Safety	0	16	16
Internal Common Work (incl high rise)	0	17	17
Kitchen, Bathrooms and Rewire	0	54	54
High & Low Rise Fabric	0	15	15
M&E	0	8	8
Windows	0	0	0
Misc	0	0	0
Total	14	273	259

20/21 Budget £k
180
95
60
960
0
648
192
204
648
180
96
0
0
3,263

New Build Programme – April 2020



Name	Developer	Year To Date			FY Budget
		Actual £s	Budget £s	Variance £s	
Bonhill PS, Bonhill		-	-	-	63
Carrochan/Dumbain		-	-	-	67
Westcliff, Dumbarton		6	-	- 6	97
Queens Quay, Clydebank		-	329	329	7,380
Crofthead, Bishopbriggs		-	-	-	26
South Crosshill Rd		-	-	-	223
Gartcosh		-	-	-	31
Sawmill Field		-	-	-	2,766
Feasibility		-	-	-	-
CUBE		6	329	323	10,653
Capitalised Staff Costs		31	36	5	429
Gross New Build Costs		37	365	328	11,082
Grant Income		0	0	0	9,688
Net new build costs		37	365	(328)	1,394

Grant Income

- Grant income reported within the capital budget represents the cash received, no completions/claims were made in the period in line with budget assumptions.

New Build Expenditure

- Westcliff (BP* completion Mar 20):** Board approved in August 2018. Demolition completed in December 2018 and new build construction started as programmed in January 2019. Building Standards final inspection for the first handovers took place in November 2019 – ahead of programme. To the end of March 2020 there were 22 completions of the 46 units that were budgeted. The remaining 24 units will now complete in this new financial year, and no completions occurred in April due to the lockdown situation. Costs shown refer to external fees for services.
- Queens Quay:** There was no spend in April 2020 following the Scottish Government's instruction for all construction sites to close on 23rd March.
- Capitalised staff costs include the credit for furloughed New Build Staff.

2. Balance Sheet



	30 April 2020 £k	31 March 2020 £k
Tangible Fixed Assets		
Housing Properties	139,110	139,281
Investment Properties	2,010	2,010
Other Assets	3,974	3,997
	<u>145,094</u>	<u>145,288</u>
Current Assets		
Debtors	2,112	3,566
Cash at Bank and in Hand	1,578	1,351
	<u>3,690</u>	<u>4,917</u>
Short Term Creditors		
Amounts due within one year	(6,416)	(7,718)
Deferred Grants	(2,796)	(2,796)
	<u>(9,212)</u>	<u>(10,514)</u>
Net Current Assets	(5,522)	(5,597)
Long Term Creditors		
Amounts due after one year	(95,866)	(95,866)
Pension Liability	(1,498)	(1,498)
Net Assets	<u>42,208</u>	<u>42,327</u>
Capital and Reserves		
Share Capital	-	-
Revenue Reserve - b/fwd	43,826	39,617
Current year surplus/(deficit)	(120)	4,208
Pension Reserves	(1,498)	(1,498)
Association's Funds	<u>42,208</u>	<u>42,327</u>

Comments

The balance sheet reported reflects the 31 March 2020 year end which is still subject to final audit and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme.

- **Fixed Assets-** Expenditure is capitalised in accordance with our accounting policy. And reflects the spend in April 2020.
- **Cash at Bank** – The cash held and movements principally reflects the timing of the settlement of intercompany balances and supplier payments.
- **Deferred grants** – The majority of the balance relates to new build schemes currently on site. Upon completion of the properties, this income will be released to the I&E as grant income.
- **Long-Term Creditors** - This includes £95.7m of loans due to Wheatley Funding Ltd 1.

3. Operating Statement – Budget 20/21



	2019/20	2020/21	2020/21	2020/21
	Full Year Actuals £ks	Financial Projection £ks	Budget £ks	Budget Variance to FP £ks
INCOME				
Rental Income	18,399	19,383	19,383	-
Void Losses	(176)	(428)	(428)	-
Net Rental Income	18,223	18,955	18,955	-
Grant Income	6,764	139	139	-
Other Income	647	636	636	-
TOTAL INCOME	25,634	19,730	19,730	-
EXPENDITURE				
Employee Costs - Direct	3,540	3,508	3,508	-
Employee Costs - Group Services	877	887	887	-
ER/VR	105	-	-	-
Direct Running Costs	1,815	1,909	1,909	-
Running Costs - Group Services	526	567	567	-
Revenue Repairs and Maintenance	3,174	3,183	3,183	-
Bad Debts	119	543	543	-
Depreciation	6,641	7,349	7,349	-
TOTAL EXPENDITURE	16,796	17,946	17,946	-
NET OPERATING SURPLUS / (DEFICIT)	8,838	1,784	1,784	-
Interest payable	(4,630)	(5,147)	(5,147)	-
STATUTORY SURPLUS / (DEFICIT)	4,208	(3,363)	(3,363)	-
EBITDA	15,478	9,133	9,133	-
EBITDA (excl grants)	8,713	8,497	8,497	-
INVESTMENT				
Total Capital Investment Income	3,323	9,826	9,826	-
Investment Works	5,977	4,235	4,235	-
New Build Expenditure	8,642	11,082	11,082	-
Other Capital Expenditure	363	187	187	-
TOTAL CAPITAL EXPENDITURE	14,982	15,505	15,505	-
NET CAPITAL EXPENDITURE	11,659	5,679	5,679	-

Comment:

- The 2020/21 budget reports a net operating surplus of £1,784k and statutory deficit of £3,363k. All budget lines match the provision in the approved 2020/21 financial projections and rate increases.
- Net rental income reflects the 3.4% rent increase approved at the February 2020 meeting and the full year effect of new build completions to date.
- Void loss is budgeted at 2.2%, compared with 0.97% void losses in 2019/20. The budget includes additional provision in our supported properties.
- Grant income for 2020/21 relates only to grant claimed on medical adaptations. There are no new build completions budgeted for 2020/21 which accounts for the reduction in grant income recognised when comparing to 2019/20.
- Bad debt costs included in the financial projections is based on 3% of rental income to provide sufficient provision for the increase in the number of tenants transitioning to Universal Credit.
- Group Services recharges for Cube’s share of Wheatley Solutions staff and employees is broadly in line with 2019/20.
- The Cube financial projections show borrowings increasing in 2020/21 to fund new build expenditure, with interest payable increasing on the funding drawn.
- Net capital expenditure is budgeted at £5,678k for 2020/21. This includes new build, investment in existing properties, and other fixed asset additions.

4. Operating Statement – P12 2019/20



	Period To 31 March 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	18,399	18,543	(144)	18,543
Void Losses	(176)	(431)	255	(431)
Net Rental Income	18,223	18,112	111	18,112
Other Income	647	674	(27)	674
Grant Income	6,764	5,266	1,498	5,266
Total Income	25,634	24,052	1,582	24,052
EXPENDITURE				
Employee Costs - Direct	3,540	3,505	(35)	3,505
Employee Costs - Group Services	877	891	14	891
ER / VR	105	0	(105)	0
Direct Running Costs	1,815	1,798	(17)	1,798
Running Costs - Group Services	526	522	(4)	522
Revenue Repairs and Maintenance	3,174	3,395	222	3,395
Bad debts	119	506	387	506
Depreciation	6,641	6,641	0	6,641
TOTAL EXPENDITURE	16,796	17,257	461	17,257
OPERATING SURPLUS / (DEFICIT)	8,838	6,795	2,043	6,795
Interest Payable	(4,632)	(4,764)	132	(4,764)
STATUTORY SURPLUS / (DEFICIT)	4,208	2,031	2,177	2,031

	Period To 31 March 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	3,323	9,095	(5,772)	9,095
Investment Works	5,977	5,997	20	5,997
New Build	8,642	13,515	4,873	13,515
Other Capital Expenditure	363	216	(147)	216
TOTAL CAPITAL EXPENDITURE	14,982	19,728	4,746	19,728
NET CAPITAL EXPENDITURE	11,659	10,633	(1,026)	10,633

Key highlights year to date:

- Both operating surplus of £8,838k and statutory surplus of £4,208k are favourable to budget for the full year to March 2020, the main driver being the grant income reported of £6,764k which is favourable to budget by £1,498k due to completions at Bonhill PS and Dumbain, these sites were budgeted to complete in the previous financial year.
- There were 46 units in Westcliff planned for completion in March 2020 and due to COVID-19 lockdown from mid-March only 22 units were completed at this site. All other units budgeted for have completed in the year.
- Void losses are running at just under 1% versus the budget rate of 2.3% causing the positive variance of £255k.
- Employee costs are £35k unfavourable to budget due to increased overtime costs relating to the delivery of environmental services to new build properties. Changes to the delivery of the environmental service across the Group have been agreed and are being implemented. ERVR costs of £105k were unbudgeted and relate to 6 posts to allow changes to be made to the frontline structure.
- Direct running costs are £17k unfavourable to budget and includes the additional running costs in relation to the district heating scheme and Think Yes spend.
- Group services charges of £1,403k (£877k employees costs and £526k in running costs) represents Cube's share of Wheatley Solutions staff and employees.
- Revenue repairs and maintenance expenditure is £222k favourable to budget, due to an underspend on cyclical maintenance of £306k. The cyclical underspend is offsetting an overspend on reactive repairs.
- Bad debts are £387k favourable to budget, and includes an incremental provision of £34k for UC movement in the year. A prudent approach was taken when setting the budget due to the anticipated impact of Universal Credit.
- Interest is paid on £95.7m of loans due to Wheatley Funding No 1 Ltd and is £132k favourable to budget. Interest includes loan fee amortisation, and development interest capitalised to date.
- Net capital expenditure of £11,659k is £1,026k higher than the budget of £10,633k.
- Lower capital investment income is reported due to the delay in the Queens Quay site starting and no transactions against the provision for unspecified units completing in 2021.
- Investment works expenditure of £5,977k mainly relates to Internal Common Works, Kitchen and Bathroom replacements, and Mechanical and Electrical Works. Lower new build expenditure is reported due to Queens Quay delay and no sites having been identified for budgeted unspecified units.
- Other capital expenditure of £363k relates to Cube's share of group wide IT investment.



Report

To: Cube Housing Association Board

By: Samantha Bett, Director of Treasury

Approved by: Steven Henderson, Group Director of Finance

Subject: Bank of England facility application

Date of Meeting: 4 June 2020

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

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

[redacted]

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

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

4. Background

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

5. Discussion

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

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

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

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

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

6. Value for money implications

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

7. Impact on financial projections

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

8. Legal, regulatory and charitable implications

8.1 There are no consent requirements from our Syndicate lenders (RBS, BOS, Nationwide) or the EIB. We have already received consents from the BlackRock private placement and HSBC in relation to the granting of guarantees from the RSLs.

8.2 A range of technical legal documents are required as part of signing up to the scheme. These are explained in appendix 1 and provided in appendices 2-6.

9. Partnership implications

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

10. Equalities impact

10.1 None noted.

11. Recommendation

11.1 The Board is asked:

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

List of appendices:

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

Appendix 1: Technical detail of CCFF and associated legal documentation

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

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

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

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

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

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

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

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

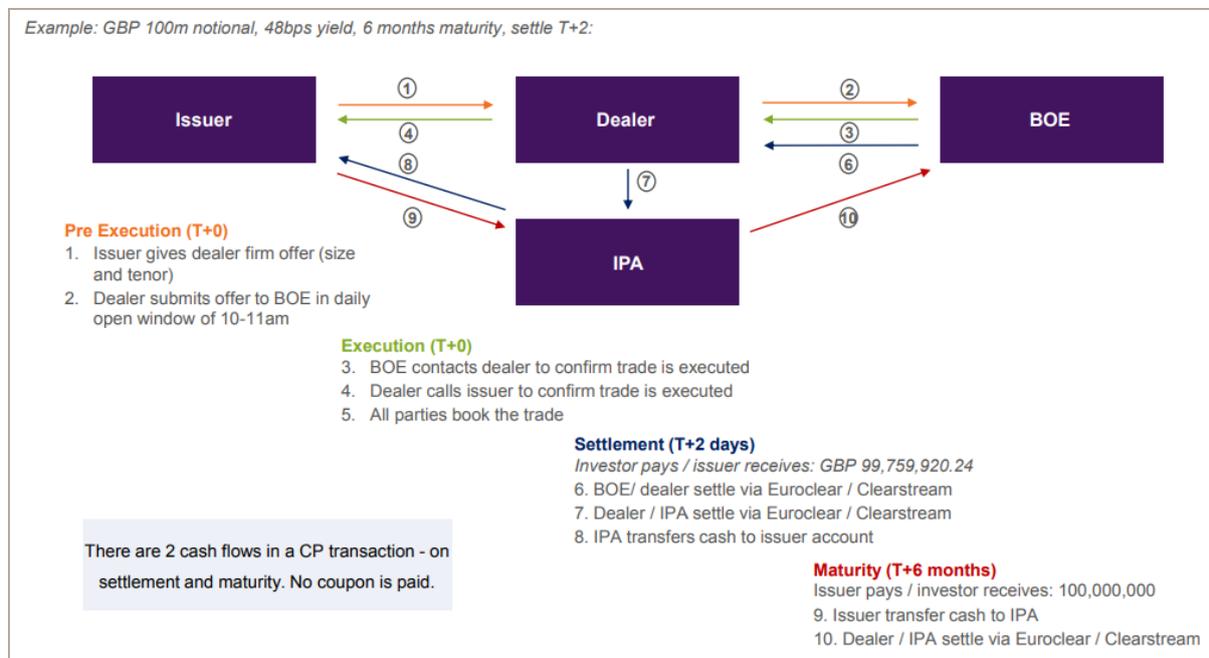
The pricing and availability of our various Revolving Credit Facilities (RCFs) for WFL1 are set out below:

[redacted]

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

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

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



Issuer – WFL1

Dealer – NatWest Markets

IPA – Issuing and Paying Agent, HSBC

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

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

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

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

By: - Laura Henderson, Managing Director

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

Subject: - Alertacall expansion

Date of Meeting: - 4 June 2020

1. Purpose

1.1 To update the Board on the progress to date with the roll out of 200 Alertacall units to general needs customers across the Wheatley Group, including eight within Cube properties.

2. Authorising Context

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

3. Risk Appetite and assessment

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

4. Background

4.1 In April 2018 we 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; including three Cube sites at Gorget, Kelvindale and Gartcraig.

4.3 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 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
- 4.4 The Livingwell team, who are employed by Wheatley Care, are responsible for delivering the service to our tenants. The service is an integrated housing and care model and delivers an enhanced housing management service to 949 tenants across the Wheatley Group, with Livingwell staff working very closely with housing teams.
- 4.5. 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 the 949 customers across Group.
- 4.6. Additionally, tenants can use their phone to directly contact our Customer Service Centre or to ask Alertacall to report repairs.
- 4.7. 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 Cube news or activities.
- 4.8. 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 we deployed business continuity plans, we 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 Executive Team subsequently approved the proposal of rolling out 200 Alertacall systems to main stream tenants across the Wheatley Group with eight Cube tenants accepting this service.

5. Discussion

- 5.1. The key motivation for introducing Alertacall services to mainstream housing customers 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 our customers.
- 5.2. Cube customers at our three Livingwell complexes 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.

Customer feedback

- 5.7. Prior to rolling out the second phase we contacted customers in phase one to gather their feedback and see what improvements could be made with the distribution and set up process.
- 5.8. 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 two and three

- 5.9. In identifying potential customers our Housing Officers targeted our Glasgow based 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.
- 5.10. Eight of our customers living in our Glasgow communities were identified for inclusion in phase two of the roll out.
- 5.11. The units were delivered between 27th and 28th 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.
- 5.12. Customers were supported through the installation process by Cube's housing staff and Alertacall staff and no major issues were identified.
- 5.13. Seven out of our eight customers are using the system as expected with one customer deciding he no longer felt he required the service. Our remaining customers will continue to be supported by the Livingwell team until they are fully comfortable with the system.
- 5.14. Early feedback shows that our customers are coping well with the new system and seeing the benefits. The numbers of customers not 'checking in' each day were low considering the service is new to them.
- 5.15. Phase three of the roll out, circa 70 units across the Wheatley Group, will be extended beyond our Glasgow communities and will be offered to customers across Cube's geographical footprint. We have already had interest from some of our elderly customers residing in West Dunbartonshire.
- 5.16. Phase three roll out is being programmed to commence no later than 26 May 2020 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. We will target our conversations with people who we understand to be shielding. This time will also be used to develop specific protocols across Group for escalation processes in the use of Alertacall.
- 5.17. The install for phase three will be supported by the Livingwell team and Housing Officers from Cube.

Interim evaluation of outcomes and model refinement

- 5.18. 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 Cube and Group.
- 5.19. 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
- 5.20. 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 and;
 - Tenants who are shielding for a longer period of time.
- 5.21. 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.
- 5.22. Housing Proactive have a number of products that support housing management some of which are being already explored for use in our Livingwell developments and our 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.
- 5.23. 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.

- 5.24. As part of the High Rise Living Framework we had already started to explore avenues for deploying Alertacall in an MSF context and as part of the Grenfell Inquiry recommendations we had considered Alertacall as an alternate means of contacting customers in MSF when the stay put policy changes during the course of a severe fire.
- 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. Short term – three-month implementation plan approved by Executive Team. Further consideration throughout these three months 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 roll out and plans and associated timescales for phase three.



Report

To: Cube Housing Association Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 4 June 2020

1. Purpose

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

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

2. Authorising context

2.1 The Board is responsible for recommending any changes to our constitution ("the Rules"), to the members for approval. A Special General Meeting of the members is required to pass a resolution to adopt changes to our Rules.

2.2 Under the Group Standing Orders the Chair has authority to approve Urgent Actions for time sensitive matters reserved to a Board (Group or Subsidiary) or Committee which cannot wait until the next scheduled meeting.

2.3 The Group Standing Orders and any changes thereto are reserved to the Group Board. This report provides an update on changes that have been made.

2.4 Under its Terms of Reference, the Group Audit Committee is responsible for approving participation in new FCA regulated activities. This is relevant to our proposed application for a consumer credit licence.

3. Risk Appetite and assessment

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

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

4. Background

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

5. Discussion

Constitutional changes

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

Tenure

- 5.2 The changes reflect the agreement by the Group Board to, under these exceptional circumstances, grant a one off, time limited 12-month extension to Board members who were due to retire or reach their tenure limit in 2020. The constitutional changes are to allow this one exception, with our overall policy position remaining that 9-year tenure limits apply in all other cases.
- 5.3 As previously advised we are engaging the SHR regarding the restrictions relating to Chair tenure, with the Rules now applying an element of discretion not previously in place. The Chair has agreed to the request from the Group Board to extend his tenure as our Chair for a further 12 months to the 2021 Annual General Meeting.

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 principally by tenants and by Board members.
- 5.5 This would also mean that Board members' membership would automatically cease upon retiring from the Board save where they are also a tenant. A consequence of the change would be that members currently in the 'owner' or 'individual' categories would have their memberships cancelled.

Board recruitment and appointment

- 5.4 At present our recruitment process requires individuals to be formally elected at Annual General Meetings.
- 5.5 It is proposed that our Rules are updated to reflect how we recruit and that they consequently move to an appointment basis. This will mean that three-year terms commence at the point of recruitment rather than having to operate 'casual vacancies'.
- 5.6 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

- 5.7 The remainder of the changes are consequential amendments or updates to aid our administration. In particular, we propose to update 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

- 5.8 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 will be circulated separately.

Use of the Chair Urgent Actions provision

- 5.9 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) 19 March 2020 – granting of security to facilitate drawdown of European Investment Bank funding;

(ii) 20 March 2020 - updates to loan agreements

Proposed application for consumer credit licence

5.10 Our new strategy, *Inspiring Ambition Unleashing Potential* includes an aim to further help customers reduce the cost of running their home. One of the ways we already support customers is through our Home Comforts service which can provide recycled furniture and white goods.

5.11 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.

5.12 Our intention was to include the scheme as part of the wider My Savings portal. Since we would be 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.

5.13 The Group Audit Committee has responsibility for overseeing new regulated activities and gave approval for us to apply for a consumer credit licence at its meeting on 6 May 2020. It is recommended we now proceed with this application.

Additional meeting

5.14 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 Tuesday 7th July at 10.30am. In addition to this, the Group Chair intends to meet informally with the streamlined Board to receive feedback and inform a review of the interim governance arrangements. The proposed time/date for this is 11am on 9 June 2020.

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.

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. There is also currently a new Bill (Corporate Insolvency and Governance Bill) going through parliament which, if passed, will allow us to hold virtual general meetings.

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 19 March 2020 and 20 March 2020
- 3) Note the amendments to the Group Standing Orders; and
- 4) Approve our application for a consumer credit licence.

Appendix 1 – Track changed Rules

~~Model Rules 2013 (as amended)~~

These are the Rules
of

Cube Housing Association Limited

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

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

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

3rd Floor, Sutherland House,
149 St Vincent Street,
Glasgow, G2 5NW
Tel: 0141 332 8113
Fax: 0141 332 9684

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.

CONTENTS PAGE

ITEM	PAGE NO	ITEM	PAGE NO
Introduction:	1	The Secretary and Officer Bearers	18
- Name		- Role of the Chair	19
- Objects		Financial Guarantees for Officers	20
Membership	1	The Board's Minutes, Seal, Registers and Books	
- Applying for membership		- Minutes	
Ending your membership		- Execution of Documents and Seal	
Representing an Organisation the Parent	3	- Registers	21
Share Capital	4	- Registered Name	
- Shares		- Documentation	
- Transferring shares		Accounts	22
Borrowing Powers	4	The Auditor	
General Meetings	5	Annual Returns and Balance Sheet	23
- Annual General Meeting		Surpluses and Donations	
- Special General Meeting		Investments	
- Notice of Meetings		Inspecting the Register	
Procedure at General Meetings	6	Disputes	24
- Proxies/Representatives/Postal Votes		Statutory Applications to the Financial Conduct Authority	
- Voting	7	Copies of Rules	
Proceedings at General Meetings	8	Closing Down the Association	
The Board of Management		Changing the Rules	25
- Composition of the Board	9	Interpreting these Rules	26
- Interests	10	Appendices:	29
Electing Appointing Board Members		- Appendix 1: Proxy form	
- Co-optees	11	- Appendix 2: Cancellation of Proxy	
- Eligibility for the Board	12	Signatures of Board Members	31
Powers of the Board of Management	13 14		
Board Procedure			
- Special Board Meetings	15		
- Sub-committees	16		
	16		
	17		

INTRODUCTION

Name

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

Objects

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

MEMBERSHIP

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

Applying for Membership

- 7.1 The Board shall set, review and publish its membership policy for admitting new Members. ~~Other than the Parent, membership of the Association shall be held in only one of~~ Subject to the provisions of Rule 7.2, the following ~~categories~~ shall be eligible to become Members:
 - ~~7.1.1~~ **Tenant Membership**
 - 7.1.1 ~~Tenant Membership is open to people who are~~ tenants of the Association.;
 - 7.1.2 any person who is Board Member and who is not a tenant or a Parent Appointee; and
 - ~~7.1.2~~ **Owner Membership**

- ~~Owner Membership is open to people who receive a factoring service for the home they own and occupy on one of the Association's estates.~~
- 7.1.3 ~~Individual Membership~~the Parent.
- ~~Individual Membership is open to other individuals who have, in a personal or professional capacity, knowledge, skills or expertise to assist the Association and who fulfil the criteria for individual membership in the Association's membership policy.~~
- 7.1.4 ~~Corporate Membership~~
- ~~Corporate Membership is open to representatives of corporate bodies recognised and approved in the Association's membership policy and may include registered housing associations and local authorities.~~
- 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 ~~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~~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 ~~and shall. The Board Member will then~~ be issued with a one share ~~to the value of one pound (the "Parent Share")~~ in the Association.
- 7.6 The Parent shall be a Member and shall have one share to the value of one pound in the Association.
- ~~7.6~~7.7 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.

~~7.7.8~~ 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 you are a Member under the category set out in Rule 7.1.1 (Tenant Membership) and you cease to be a tenant of the Association;~~

~~11.1.4 you are a Member under the category set out in Rule 7.1.2 (Owner Membership) and you cease to be a person who receives a factoring service from the Association for the home you live in on one of the Association's estates;~~

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;

~~11.1.4~~ 11.1.4 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;

~~11.1.5~~ 11.1.5 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:

~~11.1.5.1~~ 11.1.5.1 the complaint must be in writing and must relate to behaviour which could harm the interests of the Association;

~~11.1.5.2~~ 11.1.5.2 the Secretary must notify the Member of the complaint in writing not less than one calendar month before the meeting takes place;

~~11.1.6.3~~11.1.5.3 the notice for the special general meeting will give details of the business for which the meeting is being called;

~~11.1.6.4~~11.1.5.4 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;

~~11.1.6.5~~11.1.5.5 the Members can vote in person or through a representative by proxy; and

~~11.1.6.6~~11.1.5.6 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 you are a person who was formerly a Member of the Association under either of the categories set out in Rules 7.1.1 or 7.1.2 and ceased to be a Member in terms of Rules 11.1.3 or 11.1.4, you will be eligible to re-apply for membership in another category in terms Rule 7.2.~~

~~11.3~~11.2 If your membership is ended in accordance with Rule ~~11.1.6~~11.1.5, 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 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~~ A representative of the Parent in terms of Rule 12.2, ~~of an organisation which is a Member, you~~ cannot be a Member as an individual ~~yourself~~. If ~~you are~~the representative is already a Member as an individual when ~~you~~they start to represent ~~an organisation which is a Member~~the Parent, the Association will suspend ~~your~~the representative's membership as an individual, until such time as ~~you~~they are no longer ~~a~~the representative of ~~an organisation which is a Member~~the Parent.

SHARE CAPITAL

Shares

- 13 The share capital of the Association will be raised by issuing one-pound shares to Members. Shares cannot be held jointly. 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 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~~17 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.
- ~~17.3~~ If the person you ~~die or become bankrupt and your personal representative or trustee in bankruptcy seeks to claim your share, the Board (to the extent that your personal representative or trustee in bankruptcy has right) will transfer or pay the value of your share in terms of your representative's or trustee's instructions.~~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 £500,000,000 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, the Board can, with the prior written approval of the Parent, determine and change the conditions under which the Association borrows or lends money.
- 19 With the exception of the Parent, the Association shall not lend money to Members.

GENERAL MEETINGS

Annual General Meeting

- 20 The Association will hold a general meeting known as the annual general meeting within six months of the end of each financial year of the Association. The functions of the annual general meeting are to:
- 20.1 present the Chairperson's report on the Association's activities for the previous year;
- 20.2 present the accounts, balance sheet and auditor's report;
- ~~20.3 elect Board Members;~~
- ~~20.4~~20.3 appoint the auditor for the following year; and
- ~~20.5~~20.4 consider any other general business included in the notice calling the meeting.

Special General Meeting

- 21.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:

- 21.1.1 the ~~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 MEETINGS~~

Procedure at General Meetings

- 24.1 For a meeting to take place the Parent and at least seven Members must either be present at the venue or represented at the venue by a representative approved in terms of Rule 27.1. ~~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~~ Board Member of the Board to~~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.~~

~~27.6 If there is to be an election of Board Members at an annual general meeting, you can vote by post. Not less than 14 days before a meeting is held at which one or more Board Members will be elected, you will receive a ballot paper for the election. You can vote in the election by returning the ballot paper to the Secretary at least five days before the day of the meeting, or by bringing your ballot paper along to the meeting.~~

Voting

28 If a decision of a meeting is put to the vote, the outcome will be determined by the majority of those Members voting. Voting will be by a show of hands except where a 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 ~~29.3~~29.2). 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.~~

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

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

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

29.3.2 any change of name of the Association;; and

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

~~the Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast at the relevant special general meeting~~ and the other Members of the Association (collectively the "Other Members") shall among them be entitled to cast one quarter of the votes available to be cast at the relevant special general meeting or in relation to the appointment of auditors at an annual general meeting. Votes exercisable by the Other Members in terms of this Rule ~~29.3~~29.2 shall be

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

- 30 Except where a resolution is passed in accordance with the provisions of Rule ~~29.329.2~~, if there is an equal number of votes for and against a resolution, ~~or in relation to the election of Board Members~~, the Chairperson will have a second and deciding vote. The Chairperson's announcement of the decision of a vote will be final and conclusive. The decision is then recorded in the minutes of the meeting. There is no need to record the number of votes for or against the decision.
- 31.1 A 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~~34.1 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.
- ~~35~~34.2 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling. ~~If the Chairperson's ruling is challenged by more than one person, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original ruling is carried.~~
- ~~36~~35 Meetings must not last longer than two hours unless at least two-thirds of the Members present agree after the end of that time to continue the meeting.
- 36.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 36.2 A Member is able to exercise the right to vote at a general meeting when:

- 36.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 36.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 36.3 The Board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 36.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 36.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

THE BOARD OF MANAGEMENT

Composition of the Board

- 37.1 The Association shall have a Board which shall have a minimum of seven and a maximum (including co-optees) of 12 persons of whom:
- 37.1.1 up to ~~four~~six Board Members shall be Independent Board Members;
- 37.1.2 up to up to ~~six~~four Board Members shall be Tenant Board Members;
- 37.1.3 ~~up to if appointed,~~ one Board Member shall be ~~an Owner Board Member~~the Parent Appointee (as defined in Rule 37.6); and
- 37.1.4 if appointed, ~~up to one~~ Board Member shall be ~~the Parent Appointee (as defined in a co-optee appointed in terms of Rule 37.7)~~42.1.
- 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 ~~37.7~~), ~~each and any of whom must be aged 18 or over but need not be a Member~~37.6.
- 37.4 With the exception of the Parent Appointee (as defined in Rule ~~37.7~~37.6), 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.~~

~~37.7~~37.6 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.

~~37.8~~37.7 Notwithstanding any other provision of these Rules:

~~37.8.1~~37.7.1 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;

~~37.8.2~~37.7.2 any appointments and removals from office in terms of Rule ~~37.8.1~~37.7.1 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

~~37.8.3~~37.7.3 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.

~~37.9~~37.8 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:

~~37.10.1~~37.8.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects;

~~37.9.2~~37.8.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

~~37.9.3~~37.8.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:

~~37.9.3.1~~37.8.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board Member; and

~~37.9.3.2~~37.8.3.2 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

~~37.9.4~~37.8.4 ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

37.8 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 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 ~~elected~~appointed under these Rules shall be ~~elected~~appointed for a fixed term of office expiring at the conclusion of ~~an annual general meeting~~three years (a "fixed term"). ~~The fixed term shall be for a term of three annual general meetings,~~ unless the Board has set a lower number of ~~annual general meetings~~years for the relevant Board Member on their ~~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 each~~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~~re-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~~re-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~~re-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~~re-appointment or to be co-opted on to the Board until the expiry of five years following the date on which they left the Board, unless otherwise 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 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 one year or until removed by the Board. A person co-opted to the Board can also serve on any sub-committees.

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

42.3 ~~Board Members co-opted in this way must not make up more than one-third of the total number of the Board or sub-committee members at any one time.~~—The presence of ~~co-optees~~a co-optee 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~~a co-optee 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 has~~which 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.
- ~~43.1.11~~43.1.12 he/she has been removed from the governing body of any other member of the Group; or
- ~~43.1.12~~43.1.13 he/she has left the Board and a period of five years has not expired since his/her departure for the purposes of Rule 39.4.

- 43.2 A person cannot be ~~re-elected~~re-appointed as a Board Member if the Board is not satisfied of the individual's continued effectiveness as a Board Member. In these circumstances the Board must not allow the individual to stand for ~~re-election~~re-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 and 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~~Board 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~~52.1 All speakers must direct their words to the Chairperson. All Board Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.

~~53~~52.2 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling which will be final.

~~54~~53 All acts done in good faith as a result of a Board Meeting or sub-committee meeting will be valid even if it is discovered afterwards that a Board Member was not entitled to be on the Board.

~~55~~54 A written resolution ~~signed~~agreed in writing or by electronic communication by not fewer than three quarters of the Board Members 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 request 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 ~~59.6~~59.7 and shall hold office for a period which shall commence on the date of the Chairperson's appointment and shall expire immediately prior to the next scheduled Board Meeting held after the expiry of three years from the date of appointment (the "office term"), subject always to the provisions of Rule 39.

Role of the Chair

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

- ~~59.5.1~~59.6.1 the Board works effectively with the senior staff;
- ~~59.5.2~~59.6.2 an overview of business of the Association is maintained;
- ~~59.5.3~~59.6.3 the Agenda for each meeting is set;
- ~~59.5.4~~59.6.4 meetings are conducted effectively;
- ~~59.5.5~~59.6.5 minutes are approved and decisions and actions arising from meetings are implemented;
- ~~59.5.6~~59.6.6 the standing orders, code of conduct for Board Members and other relevant policies and procedures affecting the governance of the Association are complied with;
- ~~59.5.7~~59.6.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
- ~~59.5.8~~59.6.8 the Board monitors the use of delegated powers;
- ~~59.5.9~~59.6.9 the Board receives professional advice when it is needed;
- ~~59.5.10~~59.6.10 the Association is represented at external events appropriately;
- ~~59.5.11~~59.6.11 appraisal of the performance of Board Members is undertaken, and that the senior staff officer's appraisal is carried out in accordance with the agreed policies and procedures of the Association; and
- ~~59.5.12~~59.6.12 the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.

~~59.6~~59.7 The Chairperson must be elected from the Board Members (excluding co-optees) which election must ~~then~~ be approved ~~in writing~~ by the Parent. The Chairperson must be prepared to act as Chairperson until the end of their office term (unless he/she resigns the post). The Chairperson can only be required to resign if a majority of the remaining Board Members present at a special meeting agree to this.

~~59.7~~59.8 If the Chairperson is not present at a Board Meeting or is not willing to act, the Board Members present will elect another Board Member to be chairperson for the Board Meeting. If the Chairperson arrives at the meeting late, he/she will take over as Chairperson of the Board Meeting as soon as the current agenda item is concluded.

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

~~59.9~~59.10 The Chairperson can resign his/her office in writing to the Secretary and must resign if he/she leaves the Board or is prevented from ~~standing for, or being elected~~appointed to the Board under Rule 43. The Board will then elect another Board Member as Chairperson.

~~59.10~~59.11 The Chairperson can be re-elected upon expiry of their office term for a further maximum of two years and must not hold office continuously for more than five years, unless otherwise approved by the Parent, subject always to the provisions of Rule 39.

~~59.11~~59.12 Upon expiry of their period of service as Chairperson, the Chairperson must resign as a Board Member and leave the Board. If the Chairperson resigns under Rule ~~59.6~~59.7 or ~~59.9~~59.10 then they shall also be deemed to have resigned as a Board Member, regardless of the length of their period of service as Chairperson.

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~~[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 Sherrifdom 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 ~~14~~28 days of the change being made.
- 88.6 The Association can change its registered office but must:
- 88.6.1 notify The Scottish Housing Regulator ~~and the Financial Conduct Authority~~ of the change in registered office within ~~seven working~~28 days of the decision having been made;
 - 88.6.2 notify the Financial Conduct Authority as soon as possible after the change in registered office has been made;
 - ~~88.6.2~~88.6.3 notify the Office of the Scottish Charity Regulator within three months of the change having been made; and
 - ~~88.6.3~~88.6.4 obtain the prior written approval from the Parent.

INTERPRETING THESE RULES

- ~~89.1~~89 In these Rules, the following words and phrases have the meanings given below:
- ~~89.1.1~~89.1 "A person claiming through a Member": includes an heir executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a Member's share after his death. It would also cover executors of a former Member.
- ~~89.1.2~~89.2 "Association" means the registered social landlord referred to in Rule 1 whose Rules these are.
- ~~89.1.3~~89.3 "Board" means the Board of Management (or such other term that is used by the Association to denote the holder of this office) referred to in Rule 37.1.
- ~~89.1.4~~89.4 "Board Meeting" means a meeting of the Board.
- ~~89.1.5~~89.5 "Board Member" means a member of the Board.
- ~~89.1.6~~89.6 "Chairperson" means the Chairperson of the Association (or such other term that is used by the Association to denote the holder of this office) referred to in Rule 59.1.
- ~~89.1.7~~89.7 "charitable" means both charitable under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- ~~89.1.8~~89.8 "clear days" excludes, in relation to the period of a notice, the day after the notice is posted (or, in the case of a notice sent by electronic ~~means~~communication, the day after it was sent) and also the day of the meeting.

~~89.1.9~~89.9 "Close Relative" means someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister.

89.10 "electronic communication" has the meaning given in the Electronic Communications Act 2000.

~~89.1.10~~89.11 "Financial Conduct Authority" means the registering authority for societies registered under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 set up in terms of the Financial Services Act 2012 or its successor body.

~~89.1.11~~89.12 "Group" means the Parent, the Association and any Subsidiary from time to time.

~~89.1.12~~89.13 "Group Agreement" means the written agreement from time to time between the Association and the Parent in relation to the objectives and operation of the Group.

~~89.1.13~~89.14 "Guarantee" means any guarantee and includes any obligation (including as primary obligor), including a contract of indemnity or suretyship, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any Subsidiary or any other person.

~~89.1.14~~89.15 "Independent Board Member" means a Board Member who is neither a Tenant Board Member nor the Parent Appointee.

~~89.1.15~~89.16 "Meeting" means a general meeting of the Association, whether special, general or annual referred to in Rules 20-23.

~~89.1.16~~89.17 "Member" means a member of the Association whose name is entered in the Register of Members.

~~89.1.17~~89.18 "Office Bearer" means the Chairperson, Secretary, and such other Officer Bearer appointed under Rule 59.1.

~~89.1.18~~89.19 "Office of the Scottish Charity Regulator" means the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland.

~~89.1.19~~89.20 "organisation" means a legal body which exists separately and distinctly from its members and includes companies, building societies, community benefit societies, local authorities and so on and also for the purposes of these Rules includes unincorporated organisations such as social clubs, branches of political parties or trade unions and other voluntary bodies.

~~89.1.20 "Owner Board Member" means a Board Member who is a registered owner of a property factored by the Association.~~

~~89.1.21~~89.21 "Parent" means Wheatley Housing Group Limited, a company incorporated in Scotland (company number SC426094), and a registered social landlord

(registration number 363), having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

~~89.1.22~~89.22 "property" includes everything which can be passed on by inheritance (including loans, certificates, books and papers).

~~89.1.23~~89.23 "Register of Members" means the register of members referred to in Rule 64.

~~89.1.24~~89.24 "Rules" means the registered Rules of the Association.

~~89.1.25~~89.25 "The Scottish Housing Regulator" means The Scottish Housing Regulator as established pursuant to Section 1 of the Housing (Scotland) Act 2010.

~~89.1.26~~89.26 "Secretary" means the Office Bearer appointed by the Board to be the Secretary of the Association or anyone authorised by the Board to stand in for the Secretary.

~~89.1.27~~89.27 "Subsidiary" means an organisation which is a subsidiary of either the Association or the Parent within the meaning of Section 164 of the Housing (Scotland) Act 2010.

~~89.1.28~~89.28 "Taxes Acts" means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010 and any statute or statutory provision which amends, extends, consolidates or replaces the same.

~~89.1.29~~89.29 "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.

~~89.1.30~~89.30 Words in the singular also include the plural. Words in the plural also include the singular.

~~89.1.31~~89.31 A reference to law or statute is a reference to that law or statute as re-enacted, amended or replaced.

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

APPENDIX 1

PROXY FORM

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

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

My address is: (please insert).

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

Your name _____

Your signature _____

Date _____

APPENDIX 2

CANCELLATION OF PROXY

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

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

My address is: (please insert).

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

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

Your name _____

Your signature _____

SIGNATURE OF BOARD MEMBERS

Date

1

2

3

4

Members

5

6

7

Secretary

Summary report:	
Litera® Change-Pro for Word 10.6.0.7 Document comparison done on 23/04/2020 14:49:41	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: 02.3 New Rules Clean.docx	
Modified filename: 20200416 HM New Rules Clean - HM Further Revised 23.04.2020.docx	
Changes:	
<u>Add</u>	233
Delete	245
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	478