

**West of Scotland Housing Association
Minutes of the Board Meeting
Held by Video Conference
Wednesday 28th October 2020**

<p>Present: Kelly Adams (Chair), Ruth Simpson, Clare Newton, Nick Farrell, Ann Reid, Paul MacNeil, Ryan Docherty, John Muir, John Shearer, George Kpodo,</p> <p>In Attendance: Brian Gannon, Chief Executive Officer: Jennifer Cairns, Director of Corporate Services; Robert Campbell, Director of Housing and Community Services; Andrew Kubski, Director of Development & Asset Management; Colin MacCallum, Director of Finance; Jonathan McCarthy, Senior Development Officer (in part); Susan Samson, Head of Finance & IT (in part)</p> <p>Apologies: Paul McCandlish, Irene Campbell, Derek McGowan, Elaine Davidson, Christine Musasa</p>	
<p>Disclosure of Interests The Chief Executive advised that there was a conflict of interest in terms of staff present at the meeting in relation to the discussion re the pay award. He proposed that this discussion is left to the end of the meeting and all staff will leave before this discussion.</p>	
<p>1. Approval of the minutes of the 30th September 2020 The minutes from the meeting held on 30th September 2020.</p>	Approved
<p>2. Matters Arising The Board received an update on actions arising from the previous Board meeting on the 30th September 2020. The Director of Housing & Community Services confirmed that the letter has been sent to Glasgow City Council following feedback from Board Members.</p>	Noted
<p>3. IT Project Update The Director of Finance provided the Board with an update in relation to the IT Project. He advised that go live date for CX Financials has now been postponed from 2nd November to the start of January to allow sufficient testing.</p> <p>John Muir commented that the costs so far were very expensive but he understood that this was often the case with new IT systems. The Director of Finance explained that there had been very little development with Orchard as it was hosted by Gentoo. He advised that the further costs are in relation to development which requires Civica Consultancy.</p> <p>John Shearer asked how we will finance the staff training required. The Director of Finance explained that training would be carried out internally</p>	

therefore there would be no cost other than staff time. John Shearer queried at what stage we are going to reduce costs rather than continue to incur costs.

Kelly Adams stated it is frustrating how much this is dragging on but that we can't underestimate the benefits that this will bring to the organisation.

The Director of Finance agreed. He explained that there had been a delay in relation to the Covid situation and that the implementation had taken longer than anticipated.

The Chief Executive advised that the Efficiencies Plan demonstrates how the investment in the IT systems is going to lead to efficiency savings and that he will talk in more detail around that at this agenda item to give the Board further assurance.

Ruth Simpson said that she understood that savings would be made but it may take time for the Board to see this.

Nick Farrell stated that he was really surprised to see the consultancy costs and has a concern in relation to these additional costs. He did not realise that we had been paying so much in consultancy costs and queried whether the Board had previously been advised of these costs. He asked if there were further costs to come.

The Director of Finance explained that these costs included the time of a consultant that had been developing the reports for the Association for performance reporting and the ARC which would be extremely beneficial and save significant staff time.

Kelly Adams queried if the 50k was Civica consultancy.

The Director of Finance confirmed that the costs did not relate to Civica, they related to the external consultant.

Kelly Adams said that she was aware that there was a reporting element to this but as a Board member she was not aware of the cost.

The Director of Finance explained that the reports on CX were poor and not fit for purpose therefore there required to be a piece of work done in relation to developing the reports and we do not currently have these skills in house.

Kelly Adams asked for clarification of whether the contract with Civica allows us to claim back these costs. The Director of Finance said it was unlikely, but we would require legal advice on this which would be costly. He also advised that the relationship with Civica was a long-term relationship which would be significantly damaged by any legal action.

The Chief Executive confirmed that the Civica costs have not changed. He advised that the reporting will help significantly with managing rent arrears and void loss.

The Director of Housing & Community Services confirmed that the reporting was really poor previously and that we are completing a “mini ARC” just now and the difference in the reporting and time being spent is significant. It has made a huge difference already. He explained we now have data that we can rely on and this also helped significantly with the new Rent Policy.

John Muir queried about the specification that had been in place for the project. The Head of Finance and IT clarified that there had been a detailed specification as part of the procurement process and that Civica’s submission was based on meeting this specification. She explained that the issue was that the CX product was not able to deliver on this specification as many of the key areas were still in development and had not been fully developed. John Muir thanked the Head of Finance & IT for this explanation and agreed this explains why we are in this situation.

Kelly Adams thanked the Director of Finance for this report and while she agreed that the Board had concerns about further delay, she could see that we were on track to implement the CX financial system and there is an end in sight.

4. Green Strategy

The Senior Development Officer attended the meeting to present the Green Strategy. He went through the Strategy and provided an overview of the Strategy. He then asked the Board if they felt that the aims of the strategy were relevant.

Paul MacNeil said that he felt that the strategy was very good and worthwhile and you can also see some of the savings that would also be made.

The Chief Executive agreed and explained that the Green Strategy, Digital Strategy and Efficiencies Plan are all inter linked.

Kelly Adams said that she felt from what she could see that the Strategy covered everything we need and thanked everyone involved for their hard work in developing this.

John Muir said that he felt that everything was explained well in the document.

John Shearer said that he commended the enthusiasm for this but asked how do we involve tenants in this. The Senior Development Officer gave the Board an outline of the elements of the strategy that involved the engagement and involvement of our tenants and communities. He also highlighted the objectives and actions in the action plan which relate to

tenants. The Senior Development Officer also advised the Board that members of TAG had been involved in the development of the strategy.

Ruth Simpson stated that she thought the Strategy was amazing and was really happy to see us consulting and involving tenants in this.

Paul MacNeil queried if there would be opportunities to involve third party organisations. The Chief Executive advised that we will access any external funding and have a list of key funders. We now have a Funding Officer in post who will play a key role in this.

Ryan Docherty pointed out that that the Association would be more appealing to funders as we have a strategy in place.

Ann Reid said that she thought the strategy was great and it was good to get communities involved in this. The Chief Executive advised that we are looking to involve local children in our communities in the strategy. He went on to explain that Keep Scotland Beautiful are reviewing the strategy and have offered to write the foreword for the Strategy.

The Board approved the Green Strategy.

Approved

The Senior Development Officer left the meeting at this point.

5. Efficiencies Plan

The Head of Finance & IT attended the meeting to present the Efficiencies Plan to the Board. She provided an overview of where efficiencies would be made in the next year.

Kelly Adams said it was really good to see this in place and looked forward to seeing these results of this being reported back to the Board. She said that she assumed that this would be included in quarterly Management Accounts reporting going forward.

Ryan Docherty stated that the efficiencies in terms of performance would benefit our tenants as well by freeing up more time for service delivery.

The Efficiencies Plan was approved.

Approved

The Head of Finance & IT left the meeting at this point.

6. New Rent Policy

The Director of Housing & Community Services presented the new Rent Policy to the Board. The Board were advised of a new rent setting model that has been prepared and incorporated into a new Rent, Service & Occupancy Charges Policy (the Policy). The DoH&CS noted that it had proved difficult to address all of the competing objectives and that affordability of one bedroom properties for single people had been particularly difficult to address. He noted that all rents are affordable under the proposed rent policy and that it was adding on service charges made these properties in some cases above the 30% threshold. He explained that where increases are significant under the new policy, he is proposing

that we would continue with rent phasing for increases above £17 per month in line with the current rent policy.

John Shearer asked how we can justify a rent increase in the current situation. The Chief Executive clarified that this discussion is in relation to the rent policy. The Board will consider the proposed annual rent increase and budget at the November Board Meeting. The Director Housing and Community Services clarified that he has based the policy on the current total rental income.

John Shearer queried the justification in relation to bed space allowance. The Director of Housing & Community Services explained that by applying this it avoids any subjective rent setting and is transparent and clear why some tenants are paying more for larger bedrooms.

John Shearer asked if the cap of £17 would be for the duration of the phasing. The Director of Housing & Community Services confirmed that it would be in place throughout the process.

Kelly Adams stated that while she doesn't like that we are changing the policy again so soon after putting a new policy in place she understands why we need to do this and that we need to be clear that this is not a policy to increase rent, it is to ensure that we have a clear and transparent process in place.

Ruth Simpson stated that she was disappointed to see that we have not resolved the affordability issue with one bedroomed properties but understand why this is. She asked the Director of Housing & Community Services how the service charges compare to his previous organisation. The Director of Housing & Community Services explained that service charges were fewer but they were a different type of organisation to WSHA. He said that there is good information in relation to service charges for WSHA and good reasons for them being there. He feels that WSHA has a fair and transparent approach to service charges.

The Chief Executive explained that Board would be discussing the rent consultation in November and would be able to consider affordability further at this meeting. He explained that affordability for 1 bedroom properties for single people was an issue across the sector. He said that while WSHA have more service chargers, many other RSLs absorb this into their rent which means some tenants pay for services they don't receive. Our approach is fairer and more transparent.

John Muir acknowledged this was a difficult task but that he thinks this policy is as good as we can achieve.

The Board approved the new rent policy, the plan for phasing and the cap of £17 per month.

Approved

<p>7. Group Scheme of Delegation</p> <p>The Director of Corporate Services presented the proposed Group Scheme of Delegation. She explained that this had come from the preparation for the Assurance Statement and the need to provide further assurance in relation to the group structure and activities of the subsidiaries. She presented an overview of proposed reporting to the Board in respect of the group structure and the subsidiaries.</p> <p>The Board approved the Group Scheme of Delegation and the proposed reporting.</p>	<p>Approved</p>
<p>8. Preparation for Assurance Statement – Signing of Statement</p> <p>The Director of Corporate Services presented the proposed Assurance Statement for signing by the Chair. She highlighted that the impact of Covid had been included in the statement.</p> <p>The Board approved for the Chair to sign off the statement and submit this to the SHR.</p>	<p>Approved</p>
<p>9. Board Expenses Policy</p> <p>The Director of Corporate Services presented the review of Board Expenses Policy. She advised the Board that the key change is inclusion of digital expenses.</p> <p>The Board approved the revised policy.</p>	<p>Approved</p>
<p>10. Arrears Write Off Report</p> <p>The Director of Housing & Community Services presented the write off report to the Board.</p> <p>Nick Farrell asked how this amount for write-off compared to previous reports. The Director of Housing & Community Services advised that it was similar to previous reports and well within our bad debt provision.</p> <p>The Board approved the write off amounts over £2k.</p>	<p>Approved</p>
<p>11. Board Briefing</p> <p>The Chief Executive presented the Board Brief to the Board. He gave an overview of the current situation with the pension grievance but advised that there would require to be a separate Board meeting to discuss the outcomes of the grievance and how the Board moves forward on this matter. This was agreed.</p>	<p>Approved.</p>
<p>12. Risk Management Report</p> <p>The Director of Corporate Services presented the risk management report. The Board discussed the scoring for three of the strategic risks and agreed to reduce the scores for the following risks:</p> <ul style="list-style-type: none"> • “Fail to manage our financial position” 	

<ul style="list-style-type: none"> • “Fail to identify and maximise opportunities for growth” • “Fail to effectively manage our governance arrangements” <p>These changes were approved.</p>	Approved
<p>13.Tenant Engagement Update The Director of Corporate Services provided an update on our Tenant Engagement activities. The Board noted the progress that had been made and wanted their thanks passed on to Alistair and TAG for all their input.</p>	Noted
<p>14.Communications Update The Director of Corporate Services provided an update on the progress made in relation to Communications Strategy. She presented an overview of the KPI Results and advised that she would circulate these following the Board Meeting.</p>	Noted Action
<p>15. Organisational Improvement Plan Update The Director of Corporate Services presented an update on the Organisational Improvement Plan. The Board noted that good progress had been made, particularly during a pandemic and thanked everyone involved for their efforts.</p>	Noted
<p>16. TAG Minutes The Board noted the TAG Minutes from the meeting held on the 17th September. The Director of Corporate Services raised that August Sub Committee minutes should have come to the September Board meeting and hadn't been which had been an oversight. They will come to the Board in November.</p>	Action
<p>17. Resolutions The Board noted the documents signed and the use of 7 Day Rule as detailed in the report.</p>	Noted
<p>18. Notifiable Events The Board noted the update in relation to Notifiable Events.</p>	Noted
<p>19. Nationwide Agreement The Director of Corporate Services advised the Board that the authorisation mandate for Nationwide required to be updated as the Director of Finance is currently the only authorised signatory. The Director of Corporate Services presented the proposed mandate which included the following signatories:</p> <ul style="list-style-type: none"> • Brian Gannon, Chief Executive • Jennifer Cairns, Director of Corporate Services (Company Secretary) • Robert Campbell, Director of Housing and Community Services • Colin MacCallum, Director of Finance • Andrew Kubski, Director of Development and Asset Management 	

<p>The Board approved the authorised signatories and agreed that mandate authorised the signatories in relation to the operation of investment accounts, loan draw down declarations and requests, interest period rollovers, entering into fixed rate loans, security documents loan documentation and/or other transactions. The mandate holders are also authorised to provide wider notices of communication on behalf of West of Scotland Housing Association.</p>	
<p>20. A.O.C.B The Director of Corporate Services advised the Board that Janet Hamblin from RSM had been back in touch and we will be taking on someone through their Board Initiative Scheme. They will observe Board meetings and attend training.</p>	<p>Noted</p>
<p>21. Review of Meeting Board Members discussed the meeting and felt that it had gone well.</p>	
<p>Date of Next Meeting – 27th January 2021</p>	