

**West of Scotland Housing Association  
Minutes of the Board Meeting  
Held by Video Conference  
Wednesday 27<sup>th</sup> May 2020, 5.30pm**

<p><b>Present:</b> Ruth Simpson (Chair), Clare Newton, Nick Farrell, Kelly Adams, Ann Reid, George Kpodo, Derek McGowan, Ryan Docherty, John Shearer, Irene Campbell, Paul MacNeil (in part), Paul McCandlish</p> <p><b>In Attendance:</b> Brian Gannon, Chief Executive Officer, Colin MacCallum, Director of Finance and Corporate Services, Jennifer Cairns, Head of Corporate Services; Robert Campbell, Director of Housing and Community Services; Andrew Kubski, Director of Development &amp; Asset Management; Claire Robertson, BDO (in part) and Gemma Rickman, BDO (in part)</p> <p><b>Apologies;</b> Elaine Davidson (leave of absence)</p> <p>The Chair advised the Board that David Wark had resigned from the Board for personal reasons.</p>	
<p><b>Disclosure of Interests</b> The Chief Executive highlighted that there was a conflict of interest for the Head of Corporate Services and Director of Finance &amp; Corporate Services in relation to the Review of CMT agenda item at the end of the meeting. Both staff members and the two other Directors will leave at this point of the meeting.</p>	
<p><b>1. Approval of the minutes of the 29<sup>th</sup> April 2020</b> The Board approved the minutes from the meeting held on 29<sup>th</sup> April 2020.</p>	<b>Approved</b>
<p><b>2. Matters Arising</b> The Board received an update on actions arising from the previous Board meeting on the 29<sup>th</sup> April 2020. Derek McGowan queried his involvement in the development of the safeguarding policies which are operational policies. It was clarified that his role would be to advise the Community &amp; Support Services Manager in relation to making some amendments to the text of the policies rather than make changes to the policy aims.</p>	
<p><b>3. Internal Audit Annual Report 2019/20</b> Claire Robertson and Gemma Rickman of BDO attended the first part of the meeting to present the Internal Audit Annual Report to the Board. Claire Robertson provided an overview of audits carried out throughout the year. She confirmed that it is their view that the risk management systems and processes are adequately designed.</p> <p>Irene Campbell expressed concern about the result of the Allocations Audit. The Director of Housing and Community Services advised the Board and that he was aware of what was required to be done and this would be a priority area. Kelly Adams advised the Board that there had been an in depth discussion at Audit Committee around progress made in relation to</p>	

the internal audit recommendations and 2 KPIs have been agreed with a target of 80% for KPI - recommendations completed on time. The Audit Committee has also asked for a progress update in relation the recommendations from the allocations audit at their next meeting.

#### **4. ICT Project Update**

The Director of Finance & Corporate Services provided an update in relation to the ICT Project. He advised that Civica missed the milestones to be completed by the end of April and therefore have not been paid for these milestones. The Board were advised that this has been escalated by the Director of Finance & Corporate Services and he is expecting a response by tomorrow.

The Board were also advised that the CX Financials Project would start again on the 1<sup>st</sup> July. The Director of Finance & Corporate Services advised that there was work ongoing with service charges and that the Tenant Portal is now live.

Kelly Adams queried whether Civica were able to do the work remotely and the Director of Finance & Corporate Services confirmed that they were as many of their consultants tended to work from home prior to the current situation.

John Shearer queried about the impact on implementation with the installation of the new servers and was advised this currently underway and there are no issues with this at present.

#### **5. Coronavirus Update**

The Head of Corporate Services presented an update on the business continuity in relation to the Coronavirus situation. She gave an overview in relation to service delivery, tenant support and staff. The report also included information in relation to the financial impact of the current situation; focusing on arrears, void loss and impact on expenditure. She advised the Board of progress made following the risk assessment process and presented an outline of the draft Recovery Plan.

Derek McGowan commented on the fantastic work that had been done in respect of tenant support and thanked all the staff involved. He queried about promoting this activity through social media. The Head of Corporate Services advised that we had been promoting this through Facebook and twitter and that there had also been a positive article in the Glasgow Times.

Paul MacNeil asked about WSHA's ability to translate documents and also the tenant portal into different languages to ensure access for all tenants. The Head of Corporate Services advised that WSHA are members of Happy to Translate and can translate any documents etc. into other languages. She also advised that part of the data collection is around

communications preferences to enable us to be more proactive around this going forward.

The CEO explained that the tenant portal is web based and therefore can be translated into other languages. We will arrange for guidance on this to be published in the next Westworld.

Irene Campbell stated that she felt the report and WSHA's response was first rate and well done to everyone involved.

Kelly Adams commented that the financial information was really useful and gave the Board reassurance. The Director of Finance & Corporate Services advised that the teams had been taking a softer approach to arrears but that the Income Maximisation Team would be in place from 1<sup>st</sup> July. Irene Campbell expressed concern at this and advised that the housing association she works at is taking a more robust approach to ensure that tenants don't get into debt in the first place. She feels that a light touch approach gives the wrong message and that we should be promoting what we have in place to help tenants to pay their rent.

The Director of Housing & Community Services agreed with Irene's comments and advised the approach had been amended as of this week and there was a focus on arrears recovery and offering support.

Ruth Simpson commented that the restructure would provide more focus.

Ryan Docherty endorsed this change of approach and highlighted the importance of understanding our customers and their circumstances so we can look at how we approach each individual case. He highlighted that some people may be in arrears as they have lost their income but others may still be getting the same income.

**Action**

## 6. Annual Return on the Charter 2019/20

The Chief Executive delivered a PowerPoint presentation to the Board with the results in relation to each of the ARC indicators. He provided the Board with a comparison to last years' ARC submission and the Scottish average and highlighted key areas of improvement for the coming year most notable arrears and re-let times. He advised that the new housing management structure would put the Association in a better position to significantly improve performance in these areas.

Derek McGowan queried about reporting on Complaints categories. The Head of Corporate Services advised that the Board will receive the Annual Complaints Report in June which will breakdown into categories, this report is also published on our website for our tenants.

Paul MacNeil queried what the difference between Stage 1 and Stage 2 complaints. The Chief Executive explained that Stage 1 complaints are complaints that can be resolved and responded to quickly at the frontline whereas Stage 2 complaints tend to be more complex and require investigation. Paul MacNeil queried if a Stage 1 complaint could become a Stage 2 complaint and it was confirmed that it could if the customer was not happy with the response at Stage 1. The CEO noted that some complaints may go straight to Stage 2 due to their complexity.

Ruth Simpson queried why the adaptations figure was significantly lower this year. The Director of Development & Asset Management confirmed that there had been large adaptations projects last year which had taken longer to complete which contributed to figures last year.

The Board considered the void loss and re-let times. The CEO queried the assumption that was made in the budget for void loss and the Director of Finance & Corporate Services confirmed that the actual void loss was lower than budget.

Derek McGowan stated that he felt that looking at the results the efforts outlined are being focused in the right areas. He queried the increase in abandoned properties. It was agreed that there required to be further analysis of these figures in relation to the Tenancy Sustainment indicator and also in respect of the Gross Rent arrears indicator with the rent collected figure. This would be provided to the Board by email before the ARC was submitted. Kelly Adams highlighted that the rent collection figure might be down to a timing issue in respect of housing benefit payments.

The Board approved the ARC submission based on receipt of further information as agreed.

**Action**

**Approved**

## 7. Model Rules Update

The Head of Corporate Services advised the Board that the SFHA has now published new Model Rules for RSLs. She presented an overview of the key changes to the Rules and also proposed the process in relation to

<p>WSHA adopting the revised Rules.</p> <p>Kelly Adams queried the legal advice regarding the Rules and was advised the SFHA legal advisors have been involved and the SHR have also approved the new model rules. The Head of Corporate Services also advised that Harper MacLeod would be amending the Rules for WSHA.</p> <p>Irene Campbell queried what would happen if the SGM and AGM couldn't go ahead in September. The Head of Corporate Services advised that a contingency would be put in place and there is draft legislation currently in progress that will allow us to hold these meetings by video conference if required.</p> <p>The Board approved the revised model rules and process to adopt the Rules.</p>	<b>Approved</b>
<p><b>8. Loan Portfolio Return</b></p> <p>The Director of Finance &amp; Corporate Services presented the loan portfolio return for 2019/20 which is to be submitted to the SHR. He advised that is not due to be submitted until the end of June but that he will be submitting it this week following Board approval.</p> <p>The Board approved the loan portfolio return.</p>	<b>Approved</b>
<p><b>9. Allia Loan Approval</b></p> <p>1 There was produced to the meeting, in final form, copies of each of:</p> <p style="padding-left: 40px;">1.1 the MFA between the Association and Allia in respect of a loan for £10,000,007 (the "<b>Loan</b>"); and</p> <p style="padding-left: 40px;">1.2 a commitment agreement supplemental to the MFA between the Association and Allia, in terms of which the Association and Allia have agreed the first drawdown date for the Loan and certain other key commercial terms and conditions relative to the Loan (the "<b>Commitment Agreement</b>").</p> <p>2 It was reported to the meeting that Allia had made an offer of a loan under the terms of the MFA for the Loan.</p> <p>3 It was noted that the entry into the Loan would not breach the rules or any existing contractual or statutory obligations of the Association and that the Association was fully empowered to enter into the MFA, the Commitment Agreement and the Loan and to perform its obligations thereunder.</p> <p>4 The Board considered that:</p>	

<p>4.1 the proposed Loan was necessary in order for the Association to implement its business plan; and</p> <p>4.2 in accordance with forecasts set out in the business plan, it will be able to repay the Loan on the terms offered by Allia.</p> <p>5 The Board RESOLVED that:</p> <p>6.1 entering into the MFA, the Commitment Agreement and the Loan is in the best interests of the Association;</p> <p>6.2 the MFA and the Commitment Agreement be approved in substantially the form of the relevant drafts presented to the meeting and as appended to these minutes with such amendments as the Association approves;</p> <p>6.3 either of the Chief Executive (Brian Gannon) or the Director of Finance and Corporate Services (Colin MacCallum) be and are hereby authorised to agree the final terms of the MFA, the Commitment Agreement and any other document which may be considered necessary or desirable in connection with the entry by the Association into the MFA and / or the Commitment Agreement, with such amendments as shall be approved by the Board;</p> <p>6.4 the individuals named in the Appendix, and whose signatures are also appended, be and hereby are authorised for and on behalf of the Association to execute the MFA, the Commitment Agreement and any other document which is required to be executed pursuant to the MFA, the Commitment Agreement and any other Finance Document (as defined in the MFA), which documents shall be either sealed or witnessed as appropriate, and registered in the books of the Association;</p> <p>6.5 the individuals named in the Appendix, and whose signatures are also appended, are authorised for and on behalf of the Association to execute and deliver any other documents, notices, letters or other communications and to perform all matters, acts and things which such person in his absolute discretion deems to be necessary or desirable in connection with the MFA, the Commitment Agreement or any other Finance Document including the provision of any certificates or drawdown requests required as a condition precedent to a loan advance.</p> <p>The Director of Finance &amp; Corporate Services requested Board approval for the Company Secretary and Chair to arrange signing of the documents.</p>	<p><b>Approved</b></p> <p><b>Approved</b></p>
<p><b>10. Arrears Write Off Report</b></p>	

<p>The Director of Housing &amp; Community Services presented a report on the write off of former tenant arrears. The Board approved the write off of the arrears amounts over £2,000.</p> <p>George Kpodo asked if these write offs would impact on the arrears figure being submitted in the ARC. The CEO clarified that the ARC is in relation to last financial year whereas these arrears will be written off in this financial year.</p>	<p>Approved</p>
<p><b>11. Board Briefing</b> The Chief Executive gave an overview of the Board Briefing.</p>	
<p><b>12. Management Accounts</b> The Director of Finance &amp; Corporate Services gave an overview of the management accounts at the end of March 2020. Kelly Adams commented on the repairs spend coming in within budget which is really positive.</p> <p>George Kpodo queried about the difference in variances and the Director of Finance &amp; Corporate Services clarified that differences are due to rounding.</p>	
<p><b>13. Asset Management Strategy Update</b> The Director of Development and Asset Management provided the annual update on the Asset Management Strategy. He highlighted the challenges in respect of the new Passivhaus builds.</p> <p>John Shearer queried whether any of these new builds were on site yet. The Director of Development and Asset Management advised that Dalmarnock Station had gone on site just before lockdown. John queried if any off site factory work was being done and was advised that no one is working in the construction sector just now.</p> <p>The CEO highlighted that our new Green Strategy will link with the Asset Management Strategy.</p> <p>Ann Reid queried about the discrepancy between fixed drying lines and whirly gigs in the new Recharge Policy. It was agreed that the Director of Development and Asset Management would look into this.</p>	<p><b>Action</b></p>
<p><b>14. TAG Annual Report</b> The Head of Corporate Services presented the Annual Report from the Tenant Advisory Group. She advised that usually it would be members of TAG that present this report but have been unable to do this due to the current situation. She gave an overview of activities that TAG had carried out over the last year and plans for the next year.</p> <p>Clare Newton asked for thanks to be passed to TAG on behalf of the</p>	<p><b>Action</b></p>

<p>Board in respect of all of the work that had been done.</p> <p>The Chief Executive gave the Board an update in relation to the proposed Rent Policy Review and the role that TAG will play in this.</p> <p>Irene Campbell advised that Linthouse had gone through a similar process with support from consultants and that she would be happy to discuss this with the Director of Housing and Community Services.</p>	<b>Action</b>
<p><b>15. Resolutions</b></p> <p>There were no resolutions to note.</p>	
<p><b>16. H&amp;S Update</b></p> <p>The Head of Corporate Services presented the Board with update in respect of H&amp;S activities following the H&amp;S Committee meeting on the 5<sup>th</sup> May.</p>	<b>Noted</b>
<p><b>17. Notifiable Events</b></p> <p>The Head of Corporate Services gave an overview of outstanding notifiable events. She advised the Board that we have received correspondence from the SHR to advise that a gas safety check fail is not considered a notifiable event during the current situation.</p>	
<p><b>18. Staffing Sub Committee</b></p> <p><b>18.1 Annual Report of the Staffing Sub Committee</b></p> <p>The CEO presented a report to the Board with an overview of the work undertaken by the Staffing Sub Committee during the period 1 April 2019 to 31 March 2020.</p> <p>The report aimed to provide assurance to the Board that Staffing Sub Committee has complied with its remit and delegation of authority. The Board noted the significant amount of work reviewed by the Sub Committee over only two meetings.</p> <p><b><u>18.2 Minute of Staffing Sub Committee 11<sup>th</sup> May</u></b></p> <p>This was noted.</p> <p><b><u>18.3 Review of the CMT</u></b></p> <p>The CEO presented a report that set out a proposal to create a new Corporate Management Team (CMT) structure, with a new Director of Corporate Services post increasing the Team to 5. The proposed changes in the Report were discussed at the 11<sup>th</sup> May Staffing Sub Committee and they recommend them for approval by the Board.</p> <p>Approval was sought from the Board, in line with the Staffing Sub Committee remit, as only the Board has authority to approve staffing structural changes that are organisational wide.</p>	



<p>The report outlined the main reasons for the proposed change. The CEO noted that as a result of this proposal, the job title and duties of the current Director of Finance &amp; Corporate Services will change. The Board were advised that we had asked EVH to undertake a Job Evaluation of the two newly defined posts to determine the salary of each. The Board were unanimous in approving the change which they felt reflected the outstanding contribution the Head of Corporate Services makes to the organisation and the importance of getting governance, assurance and compliance right.</p>	
<p><b>Date of Next Meeting – 24<sup>th</sup> June 2020</b></p>	