

**West of Scotland Housing Association
Minutes of the Board Meeting
Hybrid Meeting via Microsoft Teams and Camlachie Boardroom
Wednesday 24th April 2024**

<p>Present (In Person): Kelly Adams (Chair), Michael Sozansky, Kenneth Fee, Ann Reid, Jim Williamson, Karen Merz, Graeme Middleton</p> <p>Present (Online): George Kpodo (from 17.43 pm – Item 3), Alison Calder (from 17.48 pm – Item 3 – left at 19.25 pm)</p> <p>In Attendance (In person): Brian Gannon (CEO), Jennifer Cairns (Director of Corporate Services), Valerie Wilson (Director of Finance), Andrew Kubski (Director of Development & Asset Management), Susan Speirs (Senior Corporate Services Assistant)</p> <p>In Attendance (Online): Robert Campbell (Director of Housing & Community Services)</p> <p>Apologies: Nick Farrell, Elaine Davidson</p>	
<p>Disclosure of Interests Kenneth Fee declared an interest in future EVH discussions regarding pay awards as his wife works for another Housing Association.</p>	
<p>1. Minutes of the Previous Meeting The minutes of the previous meeting of 27th March 2024 were approved as a true and accurate record. They were approved by Michael Sozansky and seconded by Ann Reid.</p>	Approved
<p>2. Matters Arising With regards to the Digital & IT Strategy the Director of Corporate Services will chase up regarding the outcome of the funding application.</p> <p>The Board noted the rest of the matters arising.</p>	<p style="text-align: center;">Action</p> <p style="text-align: center;">Noted</p>
<p>3. Asset Management Strategy The Director of Development & Asset Management gave a presentation on the Asset Management Strategy. He explained that the strategy deals with all our assets including factored properties and commercial/community facilities and how we deal with them in the short, medium and long term and to ensure that they are fit for purpose.</p> <p>Jim Williamson asked why factored properties are included in the strategy. The Director of Development & Asset Management</p>	

advised that they are mixed tenure properties. Surveys will be carried out on the common areas of these.

He also asked if there is much difference in the approaches of the various Local Authorities strategies with the Director of Development & Asset Management responding that Glasgow seemed to be the only one who are proactive, helpful and use levers such as “missing shares” . .

Jim also asked whether TAG had suggested any changes to the Strategy? The Director of Development & Asset Management confirmed that TAG had reviewed the strategy and they thought it was good, questioned whether there was enough resource and liked the fact that we were exploring new technologies. TAG were also instrumental in developing the KBO around ensuring all properties have an over bath shower as a minimum.

Michael Sozansky asked what the missing share approach in factoring meant. The Director of Development & Asset Management advised that where owners do not pay for their share of works the Council pay for this share to allow the works to progress and put a charge on the property so that when it is sold they are able to recover this from sales proceeds.

Michael Sozansky stated that there was no date for the works on the BCC included in the action plan. The CEO advised that we do not know the specifics of it at present but we are currently working with Clyde Gateway on developing the plans for this, but that a timeframe would be included.

Kenneth Fee mentioned that reference was made to 13 commercial properties and asked where these properties are. The Director of Development & Asset Management will include these details in an appendix to the strategy.

Kenneth Fee enquired about the legal dispute at Hill Street and what it is about. The Director of Development & Asset Management advised that this was to do with structural movement in two properties that were acquired during the transfer from Charing Cross and this is more pronounced in one of the properties. We are currently pursuing a claim against the contractor as the architect responsible for design has been liquidated. The Board will be kept updated on what is happening with this.

Graeme Middleton asked about how Scottish Government requirements were affecting the strategy. The Director of Development & Asset Management advised that this was a big driver in the direction of travel of the strategy and although the final version of SHNZS wasn't confirmed yet, we were comfortable

enough to proceed on the outline of the consultation and the options posed within this.

Alison Calder asked if we are still installing gas boilers. The Director of Development & Asset Management advised that we are but a decision will be made in the years to come on when we stop fitting them in existing stock. It was agreed that the strategy needed some more text on this to set out our current position.

Kelly Adams stated that she was looking for assurances that the data we have is accurate as there could be a potential risk of delivery. The Director of Development & Asset Management advised that he is now comfortable that the EPC data is correct after a recent cleansing exercise by the Assets Team.

Kelly also asked what the life cycle was on some new components such as Air Source Heat Pumps (ASHP). The Director of Development & Asset Management responded that we don't have a large data set yet but anecdotal evidence from other RSLs suggest that these haven't all met the minimum 15-year expectancy. As a result of this we have reduced recommended servicing periods of 3-years to annually on properties with ASHP in Greenan to see how this compares with properties elsewhere where ASHP are fitted.

Jim Williamson asked if we had properties with cavity wall insulation (CWI) and were these failing? The Director of Development & Asset Management confirmed that we have properties where cavity wall insulation has failed and we are having to extract and replace where we can. This is via a new type of CWI – injected polystyrene beads. We are hoping to do more of this once we are comfortable we can do this at scale with tenants in situ.

Michael Sozansky asked whether we should be investing in triple glazing rather than double glazing. The Director of Development & Asset Management agreed that the additional performance of heat retention (U Value) and the improved sound proofing of triple glazing are compelling arguments. This is something that is being done at Arlington Street and is something that is being considered elsewhere. At the present time the price differential means it is still unaffordable to adopt this in every install, but the Director and Asset Manager are keen to work towards this if budget allows.

The Board approved the draft Asset Management Strategy.

Approved

4. Annual Procurement Report & Strategy

The Director of Corporate Services presented this report. She advised that every year we provide an update on what items have been procured in the last year and what we are going to do in the year 2024/25.

Jim Williamson asked if the common windows were being cleaned in the close cleaning contract. The Director of Housing & Community Support Services advised that we have a better specification with regard to this now. He did advise that not all windows will be cleaned externally due to height but will be cleaned internally.

Michael Sozansky suggested that the Procurement activity for the year ahead should be in the cover report to the paper.

The Board noted the contents of this report and approved the proposed procurement activity for 2024/25.

Noted & Approved

5. Five Year Financial Projections – SHR Return

The Director of Finance explained that it is a requirement of the Regulator that all Associations submit a five year financial projection by the 31st May each year. She advised that the figures included in this are the same as the budget figures approved in February.

Kelly Adams asked if the Regulator comes back with questions regarding this. The Director of Finance advised that questions are sometimes asked but that there are parameters in the portal to require comments when the data is being input and an exception or significant movement is identified.

The Board approved the five year financial projections and this will be submitted to the Regulator by the 31st May.

Approved

6. Treasury Management Review

The Director of Finance presented this report and was looking for approval to fix the interest rate on the Barclays £4.7 m loan for five years.

She advised that the TM Strategy will come to the board in May or June. She also advised that the TM Policy states that a minimum of 60% of loans should be on a fixed rate basis and that we would breach this in the next two years if we do not fix the loan.

Kelly Adams asked if 5 years was an appropriate term for fixing loans. The Director of Finance advised that it was but we could do a shorter term but this would be more expensive.

The indicative rate at 12th April was 4.19% and the market rate at today, 24th April is 4.34%.

George Kpodo asked what steps are taken to minimise the errors in the loan agreement and about the advice we received from our Treasury advisors.

The Director of Finance advised that we would review all documentation and would also take advice from our legal and treasury management advisors.

Following significant debate on interest rates, risk appetite, the Board agreed to vote on the matter.

There were three options that the Board could go for:-

1. Do not fix today and look again on a monthly basis.
2. Approve a fix now up to a maximum of 4.97%.
3. Set a lower threshold and fix at a rate of up to 4.47%.

The vote was as follows:-

1. 3
2. 0
3. 6

The Board approved option 3.

The Board also approved the variation letter and minute.

Approved

Approved

7. Board Briefing

The CEO advised that Nicola Wason had resigned from the Board. We will be recruiting for a new board member from Ayrshire.

The CEO advised that the Association had acquired the building at 34 St Enochs Square with GCC funding. It is proposed that this property will be converted to 26 MMR properties.

Nick Farrell had asked that it be minuted that the Board had not given formal approval for this purchase.

The CEO advised that Board approval wasn't required as it is contained within the overall development programme units numbers that Board approved. He advised that we needed to move quickly on this and that the risks had been discussed by CMT. It was fully funded by GCC. However he acknowledged that there were weaknesses in the approval process around this type of late

<p>financial year purchase. He advised that a detailed report will be provided at the next DAMSC meeting that will also look at options on how we address weaknesses in the current process.</p> <p>The Director of Development & Asset Management will report back to the Board after the next DAMSC meeting.</p> <p>Ann Reid asked that Board members are given advance copy of press releases.</p> <p>The Board noted the rest of this report.</p> <p>Alison Calder left the meeting at this point.</p>	<p>Action</p> <p>Action</p> <p>Noted</p>
<p>8. Annual Policy Report The Director of Corporate Services presented this report. She advised that the report details what policies we have in place, when they were reviewed and when they are next due for review.</p> <p>The Board noted the contents of this report.</p>	<p>Noted</p>
<p>9. Risk Management Report The Director of Corporate Services presented this report.</p> <p>She advised that the report gives an update in respect of each strategic risk and our high-level operational risks. There are no changes to the risk scores.</p> <p>George Kpodo asked what measures are in place to include tenants in risk management, in particular in respect to tenant safety.</p> <p>The Director of Corporate Services advised that there are several operational risks in respect of tenants – she gave an outline of the strategic risk and how tenant satisfaction feedback and complaints feed into this risk. She also advised that there were operational risks that related specifically to tenant and residents safety, these include fire safety and damp and mould.</p> <p>The Director of Corporate Services advised that tenants are not directly involved in setting risks.</p> <p>The Director of Corporate Services will send out the operational risk register to the Board and highlight the risks relating to tenant and resident safety.</p> <p>The Board noted the contents of this report.</p>	<p>Action</p> <p>Noted</p>

<p>10. Resolutions The Board noted this report.</p>	<p>Noted</p>
<p>11. Notifiable Events The Board noted this report.</p>	<p>Noted</p>
<p>12. Group Information</p> <p>The Board noted the following information:-</p> <p>DAMSC Minutes – 23.02.2024 Staff Consultation Group Notes – 07.03.2024</p>	<p>Noted</p>
<p>AOCB</p> <p>Ann Reid asked if there was still a vacant board position in Lanarkshire. The Director of Corporate Services advised that there was and that we would be recruiting shortly for Lanarkshire and Ayrshire.</p>	
<p>Review of Meeting</p> <p>The Board felt that the meeting had gone well. There had been issues with the audio but this will be looked at before the next meeting.</p>	
<p>Date of next meeting – 29th May 2024</p>	