

**West of Scotland Housing Association
Minutes of the Board Meeting
Hybrid Meeting via Microsoft Teams and Camlachie Boardroom
Wednesday 27th November 2024**

<p>Present (In Person): Kelly Adams (Chair), Lynsey Hamilton, Jim Williamson, Ann Reid, Elaine Davidson, Morag Kilbride, Elizabeth Matthews, Graeme Middleton, Michael Sozansky, James Reid, Kenneth Fee, Alison Calder</p> <p>Present (Online): George Kpodo, Paul MacNeil</p> <p>In Attendance (In person): Brian Gannon (CEO), Jennifer Cairns (Director of Corporate Services), Robert Campbell (Director of Housing & Community Services), Valerie Wilson (Director of Finance), Karen Shaw (Director of Development & Asset Management), Susan Speirs (Senior Corporate Services Assistant)</p> <p>Apologies: Karen Merz</p> <p>Following the approval of the shareholding membership of Elizabeth Matthews, the Board need to formally appoint her to the Board for the Ayrshire category. Elizabeth left the meeting at this point.</p> <p>The Board approved the appointment of Elizabeth Matthews. Elizabeth rejoined the meeting.</p>	
<p>Disclosure of Interests There were none.</p>	
<p>1. Minutes of the Previous Meeting The minutes of the meeting of 30th October 2024 were approved as a true and accurate record. They were proposed by Michael Sozansky and seconded by Ann Reid.</p>	Approved
<p>2. Matters Arising The Board noted the matters arising.</p>	Noted
<p>3. Draft Budget 2025/26 The Director of Finance gave a presentation on the budget for 2025/26 and the 30 year plan. She advised that this is the first draft of the budget and are looking for the Board to give in principle agreement for the direction of the budget development. The final budget will be presented to the Board in February 2025.</p> <p>The Director of Finance advised that there are three rent increase scenarios within the budget:-</p>	

Increase of CPI + 1%

Increase of CPI + 1.6%

Increase of CPI + 2%. This is the only one that shows a surplus in 2025/26.

Former CCHA tenants will be charged CPI only in line with the transfer agreement.

The Board have to decide which option they wish to go with in the rent consultation process.

She advised that the CPI was 1.7% in September and was 2.3% in October.

We are fully covenant compliant over 30 years. She advised that the golden rule is breached in all scenarios within the first five years of the plan.

The Director of Finance advised that the gift aid from Westscot Living is not included in this plan but will be included for information when the final budget is presented.

Kenneth Fee asked when the commitment to former CCHA tenants with regard to the inflation only rent increase will end. The Director of Finance advised that this is for life as it was part of the transfer promise but when a property is relet the West of Scotland rent will be applied.

Jim Williamson asked how many CCHA properties there were. The Director of Finance advised that there were 500. The Director of Housing & Community Services confirmed that around 80 homes had been relet under a WSHA Rent policy rent since August 2022.

Graeme Middleton asked what the rent increases had been over the last 3-4 years. The Director of Housing & Community Services provided the figures for the last five years.

Kelly Adams asked what the pension deficit costs will be. The Director of Finance advised that these have been based on payments made by West of Scotland in the past and do not include CCHA liabilities. It will be next year before we know what the repayments will be.

Kenneth Fee asked what the banks' reaction would be to the Golden Rule. The Director of Finance advised that she did not

think it would be an issue and the Golden Rule is an internal target and is set 20% above the lowest lender target.

The Board agreed to vote on the following options for the rent increase:-

CPI + 1%

CPI + 2%

The majority of Board members were in favour of CPI + 2%.

George Kpodo asked how we ensure that there is affordability of rents for tenants in smaller properties and how we ensure a positive response to the consultation exercise.

The Director of Housing & Community Services advised that almost all rents are considered to be affordable when service charges are removed and that the main issue with affordability in this context is with smaller properties. Attempts have been made to address this previously as part of the new Rent Policy but due to the percentage of smaller properties, it has proven difficult. However, those properties classed as unaffordable have reduced to 7% over the years and was 10% last year.

In terms of feedback to the consultation exercise, the response last year was very positive and the process has been replicated for the current consultation exercise.

Paul MacNeil asked about the possibility of a different increase for different sizes of property.

The Director of Housing & Community Services advised that this is not something that we have considered in the past and that rents should be based on the property itself, not the household.

The Board approved the following recommendations:-

- Discussed and noted the initial draft budget for 2025/26 and the 30 year forecast.
- Discussed alternative draft budget options for 2025/26 with a rent increase of CPI + 1.6% and CPI + 2%. It was agreed we would consult with tenants on CPI + 2%.
- Agreed to a final 2025/26 proposed budget and 30 year financial plan being presented at the February 2025 Board meeting for approval.

Approved

<p>4. Proposed Rent Review Consultation</p> <p>The Director of Housing & Community Services presented this report.</p> <p>He outlined the proposed rent increase consultation process for new Board members and advised that this will commence immediately following the Board meeting.</p> <p>He advised that the former CCHA tenants will have a rent increase of CPI only and this will apply to 463 tenants plus sharing owners.</p> <p>Tenants will be contacted individually either by letter or email to advise them what the proposed rent increase will mean for them. An article will also be included in the Westworld newsletter and information will also be provided on our website and other social media sites.</p> <p>The Director of Housing & Community Services advised that he will meet with the TAG Group to gain their views and their feedback will be included in the final report which will go to the Board in January.</p> <p>All responses to the consultation have to be back by 10th January.</p> <p>The Director of Housing & Community Services advised that there is currently a cap on service charges. It is proposed that this cap be increased by the October CPI rate so that the cap keeps up with inflation.</p> <p>Various members asked about the average rent charge and impact that the different increase proposals would have. The Director of Housing & Community Services provided the different scenarios based on the current average rents for 1-3 bedroom properties.</p> <p>The Board approved the following recommendations:</p> <ul style="list-style-type: none"> • Noted the contents of the report. • Approved the proposed rent consultation process. • Approved the proposed rent increase of CPI + 2% to consult with tenants on • Approved an increase in the service charge cap by October CPI 	<p>Noted & Approved</p>
<p>5. Agenda Planner & Meeting Dates</p> <p>The Senior Corporate Services Assistant advised that the purpose of the agenda planner is to provide the Board with an outline of what is planned for the coming year. The dates of all the meetings for the boards and sub-committees are also included. Any changes to the agenda planner will be reported to the board. Meeting invites will be sent out once the planner is approved.</p>	

<p>Alison Calder asked if the dates of the DAMSC meetings could be changed as they coincided with the Board meetings. The change of dates for the DAMSC meetings will be discussed at the DAMSC meeting on 29th November.</p> <p>Michael Sozansky asked if the date of the Audit Sub-Committee meeting in February could be changed as he would not be available. This date will be changed accordingly.</p> <p>The agenda planner was approved with the changes noted above.</p>	<p>Action</p> <p>Approved</p>
<p>6. Review of Board & Staff Codes of Conduct The Director of Corporate Services presented this report.</p> <p>She advised that the SFHA have recently updated their model Codes of Conduct for both Board Members and Staff and that she is proposing that we should adopt the changes.</p> <p>She further stated that there were no significant changes proposed to either Code of Conduct and outlined the key changes to both documents.</p> <p>The Board approved the revised Code of Conducts for both the Board and the Staff.</p>	<p>Approved</p>
<p>7. Board Brief The CEO recruitment process is ongoing and the Board would be updated on this following the meeting.</p> <p>With regard to the Staff and Board Conference Graeme Middleton commented that an impressive array of words had been used during the mission statement session. The CEO advised that a draft mission statement will be presented at the January Board meeting.</p> <p>Graeme Middleton asked if we could claim back VAT on the electric wallpaper as it was part of a trial.</p> <p>The Director of Finance advised that she would look into this and report back.</p> <p>The Board noted the rest of this report.</p>	<p>Action</p> <p>Action</p> <p>Noted</p>
<p>8. Management Accounts The Director of Finance presented this report.</p>	

<p>She advised that at the half year there was a surplus of £125k against a budgeted surplus of £256k. The income is over budget by 1%. The costs for repairs and maintenance and void works are over budget by £600k.</p> <p>The Director of Finance advised that we are fully compliant with the lender covenants.</p> <p>The forecast to the end of the year shows a surplus of £250.3k as opposed to the budgeted figure of £400.8k.</p> <p>Kelly Adams asked what the reason was for the higher cost for repairs. The Director of Finance advised that this was due to the actual costs incurred and savings projected in the budget figures have not been realised.</p> <p>Kelly Adams asked if we were confident that the budget would be spent by the end of the financial year.</p> <p>The Director of Development & Asset Management advised that she was confident that the money would be spent by the end of the year.</p> <p>The Director of Development & Asset Management will look into the ventilation costs showing under major repairs.</p> <p>Elaine Davidson asked what the reason was for the increase in the cost of void repairs. The Director of Housing & Community Services explained that this was down to higher turnover and the condition that some of the flats had been left in, and the works that had been necessary to bring them back to a lettable standard.</p> <p>The Board noted the draft management accounts for the quarter to 30 September 2024.</p>	<p>Action</p> <p>Noted</p>
<p>9. KBOs & Performance Update</p> <p>The CEO presented this report.</p> <p>He advised that the report provides an overview of our performance in respect of our Corporate Business Plan programme, key performance indicators, complaints, our customer care charter and our performance in managing cases of damp and mould for the second quarter of 2024/25.</p> <p>67% of the key business objectives have been completed this quarter and 33% have not started.</p> <p>69% of the KPIs have been completed, with 14% close to target and 17% are below target.</p>	

Paul MacNeil asked how we are getting on with the damp and mould cases. The CEO advised that the SHR have agreed indicators that all Housing Associations will report on. Our target is to inspect a property within 3 days of it being reported and remedial work should be completed within 6 working days.

Noted

The Board noted the contents of this report.

10. H&S Report

The Director of Corporate Services presented this report.

She advised that the report gives an update in respect of health and safety compliance.

All compliance checks are on schedule. A legionella audit has been carried out and the report was presented to the Audit Sub-Committee in November. All risk assessments have been carried out.

Ann Reid asked if you need permission to keep a dog in the house. The Director of Housing & Community Services advised that permission is required but if someone is out visiting a tenant and it is discovered they do not have permission then this will be raised with them. The Dangerous Dogs Act and new XL Bully requirements were also discussed.

The Board noted the contents of this report.

Noted

11. Risk Management Report

The Director of Corporate Services presented this report.

She advised that the report gives an overview of all our strategic risks.

With regard to STR1 – Unable to manage our financial position the Audit Sub-Committee agreed to increase the score for this risk to possible due to the increase in costs.

The Audit Sub-Committee reduced the risk score of “fail to build on/maintain the confidence, satisfaction and trust of our customers” from possible to unlikely due to the overall increase in tenant satisfaction following the recent tenant satisfaction survey that was carried out.

With regard to STR8 – Inability to design and implement efficient infrastructure strategies the Director of Corporate Services advised the repairs interface is now working and we are developing a new process with repairs to put it into operation.

<p>George Kpodo asked what steps are in place to ensure these issues are resolved to reduce the risk for tenants.</p> <p>The Director of Corporate Services advised that neither of the issues had any impact on our tenants and were mainly back office issues.</p> <p>The Board noted the contents of this report.</p>	Noted
<p>12. Resolutions The Board noted this report.</p>	Noted
<p>13. Notifiable Events The Board noted this report.</p>	Noted
<p>14. Group Information The Board noted the following information:-</p> <p>Staff Consultation Group Meeting Notes – 02.10.2024 TAG Minutes – 23.10.2024</p>	
<p>AOCB The Director of Corporate Services advised that the appointment of Joanne Casey to the Westscot Living Board needs to be approved in line with the Intragroup Agreement. She gave the Board some background to Joanne. The Board approved the appointment of Joanne Casey to the Westscot Living Board.</p> <p>There was no other business.</p>	
<p>Review of Meeting The meeting was on schedule.</p> <p>The sequence of the budget paper and rent consultation paper needs to be looked at as it did not seem to run smoothly.</p> <p>The meeting closed at 19.45 pm.</p>	
<p>Date of next meeting – 29th January 2025</p>	