

**West of Scotland Housing Association  
Minutes of the Board Meeting  
Hybrid Meeting via Microsoft Teams and Camlachie Boardroom  
Wednesday 22<sup>nd</sup> February 2023**

<p><b>Present:</b> Kelly Adams (Chair), Ann Reid, Elaine Davidson, Ruth Simpson, Michael Sozansky, Kenneth Fee, Nick Farrell, Paul McCandlish, Paul MacNeil, Alison Calder</p> <p><b>In Attendance:</b> Brian Gannon (CEO), Jennifer Cairns (Director of Corporate Services), Donna Paton (Director of Finance), Robert Campbell (Director of Housing &amp; Community Services), Andrew Kubski (Director of Development &amp; Asset Management), Susan Speirs (Senior Corporate Services Assistant), Hugh Carr (DTP – for item 4)</p> <p>The CEO advised that Helen Moran member of the Woodlands &amp; Garnethill Residents Association was attending the meeting as an observer.</p> <p>The CEO advised that Ian Whiteman had tendered his resignation from the board with effect from tonight.</p> <p>Kelly Adams welcomed everyone to the meeting.</p> <p><b>Apologies:</b> George Kpodo</p>	
<p><b>Disclosure of Interests</b> There were none.</p>	
<p><b>1. Minutes of the Previous Meeting</b> The minutes were proposed as a true and accurate record. They were proposed by Elaine Davidson and seconded by Michael Sozansky.</p>	<b>Approved</b>
<p><b>2. Matters Arising</b> An update was provided on actions from previous meeting.</p>	<b>Noted</b>
<p><b>3. Rent Consultation 2023 Report</b> The Director of Housing &amp; Community Services advised that a consultation had taken place with tenants with regards to the proposed rent increase of 5.9%. He advised that only 31 responses had been received this year which represented 0.7% of our tenants. Out of the 31 responses only one was in favour of the increase. Tenants also provided additional feedback on the consultation. The Director of Housing &amp; Community Services advised that it was unclear why there was such a low response this year although responses to rent increases are historically problematic. A meeting had been held with the TAG group in November and they had been supportive of the increase.</p>	

The Director of Housing & Community Services advised that a cap existed on service charge increases of £12. He explained that in order to maximise the Association's income it was proposed that this cap should be increased in line with inflation to £13 per month. A review of the service charge cap will be carried out during 2023/24.

He also advised that we have a small number of sheltered/amenity housing properties which do not benefit from having individual utility meters. It is proposed that personal heating costs should not be protected by the service charge cap in order to align these costs with what every other tenant is due to pay in terms of their household utility bills.

He advised that the 5.9% rent increase will not affect former Charing Cross tenants as part of the transfer promises was a rent freeze for 2023/24.

Paul McCandlish advised that out of the 31 responses received there appeared to be issues around affordability and issues with the accommodation itself. He asked how these issues could be addressed.

The Director of Housing & Community Services advised that information could be put out on social media and in Westworld advising tenants that if they had issues that they could contact us individually and any concerns they had would be passed onto the appropriate person. Letters could also be sent out advising the same.

Nick Farrell was disappointed in the level of response and felt that more people would have responded. The Director of Housing noted that the response tends to be higher when there are options to vote on.

Kelly Adams advised that the response level had been the same with other RSLs.

Alison Calder advised that she did not receive anything regarding the rent consultation and asked if it had been sent out to all tenants. The Director of Housing & Community Services advised that it had been and two other tenant Board members confirmed they had received their letter.

The CEO noted that we plan to open up a new dialogue with tenants prior to the next rent review around the balance between keeping rent increases low and investment and service delivery.

The Board noted the contents of the report and approved the following recommendations:

- Increase rents by 5.9% from 1 April 2023.

**Noted &  
Approved**

<ul style="list-style-type: none"> <li>• Increase the service charge cap from £12 to £13.</li> <li>• Personal heating costs should not be protected by the service charge cap.</li> </ul>	
<p><b>4. 2023/24 Annual Budget</b></p> <p>The Director of Finance advised that this paper was an extension of the update on the budget which was provided at the November Board meeting.</p> <p>There have been changes to both income and expenditure and this has resulted in an increase in the surplus from £284,000 to £468,000.</p> <p>She advised that all covenants have been met based on this budget.</p> <p>Nick Farrell asked if we were still behind with the replacement bathrooms, kitchens and overall investment. The Director of Finance advised that the major repairs provision has been increased to accommodate this.</p> <p>The Board approved the proposed budget for the financial year to 31 March 2024.</p>	<p><b>Approved</b></p>
<p><b>5. 30 Year Financial Plan and Refinancing</b></p> <p>Hugh Carr of DTP joined the meeting at this point.</p> <p>The Director of Finance gave a detailed presentation on the 30 year financial plan including the refinancing proposal from RBS. She advised that the draft financial plan which was presented at the board meeting in November highlighted the impact of below CPI rent increases.</p> <p>She advised that the financial plan has been revised to incorporate the changes to the draft budget as well as the RBS funding offer terms.</p> <p>Nick Farrell asked why we would not look to secure a shorter term for the fixed rate loan given uncertainty in the market about longer term Bank of England rates.</p> <p>Hugh Carr responded by saying that he regarded the margins that RBS were looking for were competitive and that the loan terms were affordable for WSHA. He also noted that fixing for 10 years gives the Association greater certainty about our costs over a longer period.</p> <p>The Director of Finance advised that she would clarify whether the draw down period for the Revolving Credit Facility was 2 years or 5 years.</p> <p>The Director of Finance noted that the loan documentation provided had a new sustainability clause added to allow WSHA to review within</p>	<p><b>Action</b></p>

6 months from signing whether we wish to proceed with sustainability KPI targets to benefit from lower margins. Hugh Carr confirmed however that once the costs of carrying out the assessment for RBS, the financial benefits were small.

The Board discussed the request to give delegated authority to the Director of Finance (rather than arranging an online meeting as proposed in her paper) to agree the refinancing package proposed and to sign the legal documentation with RBS. The Director of Finance proposed that parameters also be set in agreeing the fixed rate to ensure this would not impact the headroom on Interest Cover Ratio (ICR) targets dropping below our own internal 20% headroom target.

Nick Farrell asked what would happen if rates had increased to have a negative impact on this headroom in the plan. Hugh Carr of DTP advised that options included fixing for a shorter period (1 to 2 years) and or agreeing a variable loan which would be at a lower rate. He suggested that in his view the BoE base rate was unlikely to move so much that it would affect this headroom, before the rate was agreed with RBS in early March. The Chairperson supported this view and suggested that the rate could well go up again at the end of March.

She also noted the greater risks that would come from not putting this refinancing package in place before 31<sup>st</sup> March, leading to other lenders noting a breach of covenant and recalling their loans.

The Director of Finance advised that the current internal headroom ICR rate is 132% and 180% and a final decision on the fixed rate would be determined by ensuring these levels are met. The Director of Finance will take advice from DTP and Harper MacLeod in finalising the legal documentation and setting the fixed rate at the date agreed between RBS and WSHA .

The Board thanked the Director of Finance for all the work that had gone into the preparation of this document.

The Board approved the 30 year financial plan and also approved the new RBS facilities loan proposed and agreed to delegate authority to the Director of Finance to proceed with legal documentation.

**Approved**

**6. WSHA 2023/2028 Corporate Business Plan**

The CEO gave a presentation on the Corporate Business Plan for 2023-28. He outlined the Key Business Objectives in the plan. He advised that the proposed KBO on ESSH2 had been removed due to the current review of ESSH by the Scottish Government. The Board agreed to this.

**Approved**

With regard to the promise to deliver on the CCHA transfer promises for 2023/24 the CEO advised that we would like to carry out a review

<p>to assess what impact the Transfer had had on West of Scotland and whether we would want to bid for any future stock transfers. The Board agreed that this should be carried out by an independent consultant. It was proposed that this review be carried out a year after the transfer took place.</p> <p>The CEO also advised that the Business Plan also includes an action plan which sets out all the actions required to complete the business objectives as set out in the plan. The Board will be kept informed on a quarterly basis of the progress with these actions.</p> <p>The Director of Corporate Services outlined the key operational and strategic risks.</p> <p>Michael Sozansky complimented the staff on the excellent document that had been produced. He advised that he had a couple of minor changes to it but would email the CEO with regard to this. The CEO advised he would circulate a final version to the Board after these changes were made.</p> <p>The Board approved the Corporate Business Plan for 2023-28.</p>	<p><b>Action</b></p> <p><b>Approved</b></p>
<p><b>7. Minute of Agreement with Woodlands &amp; Garnethill Residents Association</b></p> <p>The CEO advised that one of the transfer promises made to tenants of CCHA with regards to the transfer was to set up a resident's group which would represent tenants who lived in Woodlands &amp; Garnethill in respect of decision making around investment and local services. This group is open to tenants and factored owners in these areas. He advised that the Woodlands &amp; Garnethill Residents Association was formally established at their first AGM which was held on 16 February 2023.</p> <p>He advised that we now need to formalise the relationship between WSHA and W&amp;GRA through a Minute of Agreement which sets out the roles and responsibilities of each party to the agreement.</p> <p>Kelly Adams advised that on page 10 of the Minute of Agreement with regards to new build housing this should state that the new build housing relates only to the Woodland &amp; Garnethill areas.</p> <p>The Board approved the Minute of Agreement between West of Housing Association and the Woodlands &amp; Garnethill Residents Association.</p> <p>Helen Moran left the meeting at this point.</p>	<p><b>Action</b></p> <p><b>Approved</b></p>
<p><b>8. Board Briefing</b></p> <p>The CEO advised that we had received notification from GWSF regarding the Association's annual membership fee. He advised that we had been under charged by GWSF in previous years and they</p>	

<p>were now looking to correct this but it was felt that relative to other the fee still represented good value. This increase will be phased over two years, £4,032 in 23/24 and then £5,193 in 24/25.</p> <p>The Board approved the membership of GWSF.</p> <p>The Director of Housing &amp; Community Services advised that following the CCHA transfer we have acquired some commercial leases. Two of these are due a rent increase and also one of the leases is due to be extended.</p> <p>The Board approved the rent increase for 137 St Georges Road from £14,500 plus VAT to £22,000 plus VAT. They also approved the rent increase for 164 Woodlands Road from £12,500 plus VAT to £19,500 plus VAT and also to extend the lease at 164 Woodlands Road for a further five years. This property is leased by Annan Galleries.</p> <p>The CEO advised that a response has been received from EVH in response to our concerns about the JNC appeal process.</p> <p>The Board agreed that the Chair should send a letter to the Chair of EVH advising that we were not happy with the response received but that the matter was now closed.</p> <p>The Board noted the rest of this report.</p>	<p><b>Approved</b></p> <p><b>Approved</b></p> <p><b>Action</b></p> <p><b>Noted</b></p>
<p><b>9. Quarterly KBO and KPI Performance Report</b> The Board noted this report.</p>	<p><b>Noted</b></p>
<p><b>10. Quarterly Management Accounts</b> The board noted the management accounts for the period up to 31 December 2022.</p>	<p><b>Noted</b></p>
<p><b>11. Subsidiary Report</b> The Board noted this report.</p>	<p><b>Noted</b></p>
<p><b>12. Annual Stakeholder Report</b> The Board agreed not to carry out the stakeholder survey as the previous survey offered little value.</p> <p>The Board noted the contents of this report.</p>	<p><b>Approved</b></p> <p><b>Noted</b></p>
<p><b>13. Customer Engagement Strategy Update</b> The Board noted the contents of this report.</p>	<p><b>Noted</b></p>
<p><b>14. H&amp;S Report</b> The Board noted the contents of this report.</p>	<p><b>Noted</b></p>
<p><b>15. Resolutions</b> The Board noted the contents of this report.</p>	<p><b>Noted</b></p>
<p><b>16. Notifiable Events</b> The Board noted the contents of this report.</p>	<p><b>Noted</b></p>

<p><b>17. Group Information</b> The Board noted the TAG minutes.</p>	<p><b>Noted</b></p>
<p><b>AOCB</b></p> <p>Ann Reid asked if there had been any interest from former CCHA tenants in becoming a member of the Board. The Director of Corporate Services that a tenant from Garnethill had expressed an interest. She also advised that we have a Board vacancy in Ayr and also now in Lanarkshire with the resignation of Ian Whiteman.</p>	
<p><b>Review of Meeting</b></p> <p>The Board agreed that it had been a long meeting but had been very productive with a lot of discussion.</p> <p>With regard to the loan refinancing discussion Paul McCandlish advised that he felt that 10 years was too long for the loan period and that five years would be better. The Director of Finance advised that it was very difficult to get a loan period shorter than 10 years.</p>	
<p><b>Date of next meeting - Wednesday 29<sup>th</sup> March 2023</b></p>	