

**West of Scotland Housing Association  
Minutes of the Board Meeting at Camlachie House  
Wednesday 28 August 2019  
Public Minutes**

<p><b>Present:</b> Elaine Davidson (Chair), Kelly Adams; Ann Reid, Ena Hutchison, Clare Newton, John Shearer, Paul McCandlish, Nick Farrell</p> <p><b>In Attendance:</b> Colin MacCallum, Director of Finance and Corporate Services; Stewart Gibb, Director of Housing and Customer Services; Andrew Kubski, Director of Development and Asset Management, Jennifer Cairns, Head of Corporate Services; Brian Gannon, new CEO (Observer), Belinda Duncan, Corporate Services Assistant (Minute taker)</p> <p><b>Also attending:</b> David Hull, Project Manager, DtL</p> <p><b>Apologies:</b> Ruth Simpson, Shona Gallagher, Ryan Docherty, Derek McGowan</p>	
<p><b>Disclosure of Interest</b></p> <p>None.</p>	
<p><b>1. Welcome &amp; Apologies</b> The Chair welcomed all to the meeting, in particular the new CEO Brian Gannon who starts in post on Monday.</p> <p>Apologies were noted.</p>	
<p><b>2. Minutes of 19 June 2019 and 10 July 2019</b></p> <p><b>Minutes of 19 June 2019 - Item 13 Board Annual Review – Page 7:</b></p> <p>In the 7<sup>th</sup> paragraph the word “AGM” should be followed by “2020”.</p> <p>The approval of the minutes from the Board meetings was proposed by John Shearer and seconded by Clare Newton.</p> <p>The meeting noted the matters arising.</p>	
<p><b>3. Board Briefing</b></p> <p>The Director of Finance and Corporate Services provided updates as detailed in his paper. He provided an update on the pension triennial valuation and noted that due to delays in finalising the valuation the annual SHAP scheme updates for employers have been delayed but are</p>	

<p>now scheduled for September.</p> <p>Kelly Adams advised that the pension had been discussed at the Audit Committee meeting prior to this meeting and that the consensus had been that the Committee was keen to progress the review of the pension arrangements. However, it was noted that the next Pension sub-committee meeting had to take place first. Elaine Davidson advised that the next pension sub-committee meeting will take place on the 17<sup>th</sup> September 2019.</p> <p>Clare Newton informed the Board of the death of John Gray who had previously been on the Association's Management Committee.</p>	<p><b>Noted</b></p>
<p><b>4. ICT Implementation – Phase 1</b></p> <p>David Hull joined the meeting.</p> <p>The Director of Finance and Corporate Services gave the Board an update with respect to the current progress of the new IT system project. He said that there were no further changes to costs but that the project had been impacted by a key member of the team resigning from the Association and moving to another housing association.</p> <p>David Hull gave the Board an update as detailed in his paper. He highlighted issues that have arisen from user testing and in particular the issue with the rent debits. He gave the Board an overview of the escalation process to order to ensure any issues are resolved. At the end of this week they will have tested all essential processes with users. David informed that this was the 2<sup>nd</sup> week of testing and there had been no major concerns. He said that those who are testing have been very positive.</p> <p>Kelly Adams asked if we would be able to raise a rent debit to which David Hull advised we would.</p> <p>Paul McCandlish noted that David had said he would be switching off one system and switching on another system and asked what risk systems have been put in place in respect of managing data. David replied there had been back ups of the data taken at each stage.</p> <p>David Hull departed from the meeting.</p>	<p><b>Noted</b></p>
<p><b>5. Self Assessment against SHR Standards</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Report on Self Assessment against Regulatory Standards</b></li> </ul> <p>The Head of Corporate Services spoke to her paper, the purpose of which was to present the Annual Report on compliance with SHR's regulatory standards of Governance and Financial Management following</p>	



<p>were a lot of KPIs relating to tenants and to property and therefore this was a joint presentation from himself and the Director of Development and Asset Management. The key areas highlighted for discussion were the re-let days and rent arrears.</p> <p>An overview was given of the key issues impacting on the re-let times. The Director of Development and Asset Management highlighted that there had also been issues with the contractor in July and August therefore it was likely that re-let days in Q2 would also be high. The Board were informed of the measures that had been put in place to resolve the issues.</p> <p>The Director of Housing and Customer Services spoke about arrears and detailed actions which will be taken to improve performance.</p> <p>With regard to Universal Credit, John Shearer suggested direct rent payment to landlord. The Director of Housing and Customer Services gave the Board an overview of the process that is undertaken in relation to Universal Credit.</p> <p>Kelly Adams noted with regard to the factoring service that the target has come down to 60% from 74% last year which she said seemed a big drop. In addition to this Kelly noted we are behind target. The Director of Development and Asset Management advised that this was an annual indicator and part of the reason for this was people are neither satisfied nor dissatisfied and also that there has been a programme put in place for common repairs which can impact on satisfaction. The Head of Corporate Services advised that we reduced the target in line with the sector average.</p> <p>The Board noted the report.</p>	<p><b>Noted</b></p>
<p><b>7. Performance against Business Plan – Quarter 1</b></p> <p>The Head of Corporate Services talked through the Corporate Plan – Action Plan 2019-2020 which gave an overview of progress made in relation to the Corporate Plan for the first quarter. Good progress has been made and many of the projects are underway. She advised that the implementation of the IT system had an impact on other work streams, in particular implementation of the digital strategy.</p> <p>The Head of Corporate Services asked the Board if it was happy with this method of reporting. The Board agreed.</p> <p>Kelly Adams acknowledged that there had been good progress in the first quarter.</p>	<p><b>Agreed</b></p>
<p><b>8. Draft Charter Report</b></p> <p>The Head of Corporate Services talked through her paper, the purpose of</p>	

<p>which was to advise the Board of how we will communicate our performance against the outcomes and standards of the Scottish Social Housing Charter. She also spoke on the draft Charter and Annual Report which had been prepared and confirmed that the report meets the regulatory requirements.</p> <p>Kelly Adams directed attention to page 11 of the report and queried “56 owners satisfied with factoring service”. The Head of Corporate Services responded that this should read “56%” and said she would get this amended. She added that the report will need to be issued to tenants by the end of October.</p> <p>The Board approved the draft report.</p>	<p><b>Action</b></p> <p><b>Action</b></p> <p><b>Approved</b></p>
<p><b>9. Equalities Policy and Action Plan</b></p> <p>The Director of Housing and Customer Services talked through his paper which introduced the draft Equalities, Diversity and Inclusion Policy which the Board was asked to consider, with a view to the final policy coming to the Board for approval in November 2019 following a period of consultation.</p> <p>The Director of Housing and Customer Services explained that the delay was due to the pressure on TAG and to give them more time. It is scheduled for discussion with them in October and thereafter he will report back. He added that he hoped to get the policy signed off at the November Board meeting.</p> <p>Paul McCandlish said he wished to emphasise the importance of equality impact assessments. Brian Gannon advised that Thenu had recently developed a template around the digital agenda which was very straightforward and easy to use.</p> <p>Kelly Adams asked with regard to training for Board and staff if there was a group working on this. The Director of Housing and Customer Services replied there was a group working under him which will become a formal group. He said that we need to encourage impact assessment.</p> <p>The Head of Corporate Services said that she would arrange for the trainer who conducted the staff equality and diversity training to come in to train the Board.</p> <p>The Director of Housing and Customer Services asked the Board to send any changes to him.</p>	<p><b>Approved</b></p> <p><b>Action</b></p>
<p><b>10. Asylum Seeker Accommodation in Glasgow</b></p> <p>The Director of Housing and Customer Services talked through his paper which gave an update on the provision of asylum accommodation within Glasgow. He said he felt that Mears had been able to circumvent the</p>	

issues which Serco had left. There followed a discussion around the recent actions Serco had taken with regard to asylum seekers.

Paul McCandlish asked the Director of Housing and Customer Services what the criteria had been in identifying the particular number of 17 properties. The Director of Housing and Customer Services explained that they had looked at the pattern of the void properties. Mears had said they could accept all the properties bar 1. He added that he thought that 35 properties was manageable for us and for Mears.

Elaine Davidson asked if six months would be given to Mears to prove themselves before giving them further properties. The Director of Housing and Customer Services advised that we would be doing six-monthly property checks.

The Director of Development and Asset Management said that it had been difficult for our technical officers to get into properties and we would make sure that the properties were maintained every six months.

The Director of Housing and Customer Services added that we would ensure that the properties are brought up to a lettable standard.

The Board approved the recommendations contained in the paper.

**Approved**

**11. Annual Financial Statements to 31 March 2019**

The Director of Finance and Corporate Services talked through his paper advising the Board that the audit of the annual financial statements of the Association for the year ended 31 March 2019 was now complete. The report requested the Board to approve the financial statements subject to confirmation that the Audit Committee recommended their approval. The Director of Finance and Corporate Services was able to advise the Board that the Audit Committee had recommended that the Board approve the financial statements at its meeting earlier in the day.

The Director of Finance and Corporate Services informed that the audit had been straightforward this year with no major issues and that the auditors had now confirmed they would issue an unqualified audit report.

The Director of Finance and Corporate Services advised that the principal matter of interest or change in the financial statements this year was the move to defined benefit pension accounting. The Board was directed to page 16 of the financial statements which contains the adjustments associated with the accounting change, the relevant accounting policies and to note 27 which was the pension note. A general discussion on the impact of the changes to the accounting for the pension on the association's finances then took place.

Nick Farrell asked about the overall general financial health of the Association. The Director of Finance and Corporate Services responded

<p>that it was it was strong and the Association had in recent years been able to secure significant new loan facilities to fund its development programme. He added that in general most items are relatively easy to forecast with some accuracy, e.g. rents, salaries whereas some items can be more difficult e.g. responsive repairs which are demand driven.</p> <p>Nick Farrell also asked for some information on the Association's loans. The Director of Finance and Corporate Services replied that approximately 65% of our debt is fixed rate with repayment dates stretching out over a number of years.</p> <p>Kelly Adams informed the Board that she reviewed the financial statements and fed back comments to the Director of Finance and Corporate Services separately.</p> <p>The Board approved the recommendations detailed in the paper.</p>	<p><b>Approved</b></p>
<p><b>12. Management Accounts – Quarter 1</b></p> <p>The Director of Finance and Corporate Services invited the Board to note the financial performance of the Association for the quarter to 30 June 2018 as shown by the management accounts.</p> <p>The Director of Finance and Corporate Services advised that the outcome for the quarter was a small deficit which was marginally higher than the budgeted deficit. The reason for the budgeted deficit was due to costs that benefit the full year being taken in April.</p> <p>While income was broadly in line with budget some of the variances were timing related and where they reflected grant income there was a corresponding reduction in expenditure in the quarter.</p> <p>Within expenditure a number of variances arose, again some of them were timing related. The underspend in salaries was partially offset by an overspend on agency costs. Within overheads the overspend on consultancy costs was associated with obtaining up to date reinstatement valuations for the annual property insurance exercise and the overspend on legal costs was related to arranging the security for a lending facility. It had been anticipated that this cost would be incurred in 2018 but work had slipped into 2019.</p> <p>While repairs were overspent it was noted that the principal overspend was due to bringing forward boiler replacements to align with other component replacement works.</p> <p>It was noted that the total spend of the properties in Barrachnie were over budget and a concern last year. The Director of Housing and Customer Services advised that the final two properties at Barrachnie will be finished at the end of this month.</p>	<p><b>Noted</b></p>

Total Repairs spend will be monitored.

The Director of Finance and Corporate Services advised that the asset cover and gearing covenants were met while the interest cover ratio was below budget. This was due to the accelerated boiler replacements spend and it was anticipated that the covenant will be in line with budget as the year progresses. It was noted that the Repairs team is now working to a revised reduced budget of £6m for the year. Kelly Adams stated that it would be important to keep repairs expenditure within budget and that this is something the Board should continue to monitor through the management accounts

John Shearer asked if there had been any further development in relation to the properties in Douglas. The Director of Development and Asset Management advised that the sale would conclude this Friday. The Head of Corporate Services advised that this would be a notifiable event to the SHR and that they were aware of the pending disposal.

**13. Culture Programme**

The Head of Corporate Services gave the Board an overview of progress made in respect of the work around organisational culture and presented a proposed programme to address the areas of improvement highlighted. The report included an external report detailing the results of the recent staff questionnaire and the notes from the discussion at the staff training and development session. She said that overall it was a positive report but that there were areas to work on and an action plan had been developed. The Board were asked to consider their role following concerns raised by the SHR that the programme was staff focussed and does not address the role of the Board in respect of delivering strategic leadership and necessary improvements in respect of governance.

The Board discussed this fully and agreed that they needed to review the Corporate Plan and ensure that the plan was clear in relation to the culture they were looking to embed. The discussion focussed around there perhaps being a clear section in the Plan in relation to culture. The Board also discussed the importance of them being role models and working well as a team. It was agreed that this would be further developed through the Board coaching sessions.

The Head of Corporate Services advised that a health and wellbeing survey would be issued to all staff as part of our ongoing accreditation with Healthy Working Lives. This covers elements of culture so would give further information for the Board in relation to this.

The Board agreed to look at the Corporate Plan as a starting point and would ensure that this was a key element of the business plan review process.

Discussion around the perceived culture followed.

<p>The Head of Corporate Services asked the Board how often it wished updates in relation to progress. The Board agreed a quarterly basis.</p> <p>The Board approved the action plan.</p> <p>The Board noted the report.</p>	<p><b>Agreed</b></p> <p><b>Approved</b></p> <p><b>Noted</b></p>
<p><b>14. Mid Market Rent Subsidiary</b></p> <p>The Director of Development and Asset Management presented the paper giving an overview of the proposed subsidiary for the delivery of the mid market rent tenure and asking the Board to note the contents and approve the establishment of the subsidiary once the first MMR project was confirmed as viable and is to proceed.</p> <p>Kelly Adams was satisfied that, based on her work with other Association's, the paper presented covered all aspects she would expect and noted the involvement of Harper Macleod. She also suggested liaising with other Association's who had established or recently set up similar MMR subsidiaries to discuss their experiences and advice on the set up.</p>	<p><b>Noted</b></p> <p><b>Approved</b></p>
<p><b>15. Company Secretary Report</b></p> <p>The Head of Corporate Services presented her report confirming in writing to the Board that the Rules had been amended to reflect the changes that had been approved at the Special General Meeting on 10 July 2019. Rule numbers 6.2, 37.5 and 41 were changed and displayed within the signed rules. The approved Rules were registered with the Financial Conduct Authority on 7 August 2019.</p> <p>The report also confirmed that the relevant rules 62 to 67 have been adhered to in line with the requirement of Rule 68.</p> <p>The Board was asked to note the contents of the report.</p>	<p><b>Noted</b></p>
<p><b>16. Rent Consultation</b></p> <p>The Head of Corporate Services talked through her report which outlined the proposed rent consultation process to the Board. She outlined the reasons for not providing options; which included feedback from tenants about previous rent increases being too complicated and the main reason being that we now have a clear 5 Year Planned Maintenance Programme in place and there is a necessity to continue with ongoing improvement of stock particularly where this has not been done in the past. The Board discussed this at length in the context of considering rent affordability and agreed that one option would be consulted on as they did not want to impact negatively on the five year programme and providing rent options did not necessarily demonstrate consideration of rent affordability. As</p>	<p><b>Noted</b></p>

<p>part of the discussion the Board also discussed the possibility of including additional services in the options but agreed to maintain the approach of seeking external funding for additional services through Willowacre Trust.</p> <p>The Head of Corporate Services advised that it is proposed to start the rent consultation process earlier and provide the Board with more robust information to allow them to fully consider rent affordability before making a decision.</p> <p>John Shearer asked if the Board could also receive detailed information on other RSL rents. The Head of Corporate Services advised that this was included in the report and would be provided.</p> <p>The Board noted the Report and approved the proposed rent consultation process.</p>	<b>Approved</b>
<p><b>17.RSG&amp;FM Review of the papers</b></p> <p>The Board noted the review of the papers</p>	<b>Noted</b>
<p><b>18. Health and Safety Review</b></p> <p>The Board noted the Health and Safety Review.</p>	<b>Noted</b>
<p><b>19. Minutes for noting</b></p> <ul style="list-style-type: none"> <li>• TAG Minutes 17 June 2019</li> </ul> <p>The Board noted the TAG Minutes of 17 June 2019.</p>	<b>Noted</b>
<p><b>20. Resolutions</b></p> <p>The Head of Corporate Services advised the Board that she had completed the notification of Change of Rules to be submitted to OSCR and that the Chair would sign this following the meeting.</p>	<b>Noted</b>
<p><b>21. AGM Report</b></p> <p>The Chair explained that there are four Board members due to retire at the end of the next AGM, all of whom have confirmed they would be looking to seek re-election.</p> <p>As per rule 37.8 the Board must be assured that any Board member who has continuous service on the Board of nine years or more and who is seeking re-election is able to demonstrate continued effectiveness as a Board member before he/she may stand for re-election. If the Board is not satisfied that the Board member can demonstrate continued effectiveness the Board must not allow the individual to stand for re-election.</p>	

