

**West of Scotland Housing Association  
Minutes of the Board Meeting at Camlachie House  
Wednesday 27<sup>th</sup> November 2019**

<p><b>Present:</b> Ruth Simpson (Chair), Elaine Davidson, Ann Reid, Clare Newton, John Shearer, Nick Farrell, Paul McCandlish, Kelly Adams,, George Kpodo, Paul MacNeil, Derek McGowan and Ryan Docherty</p> <p><b>In Attendance:</b> Brian Gannon, Chief Executive Officer, Colin MacCallum, Director of Finance and Corporate Services, Stewart Gibb, Director of Housing and Customer Services, Jennifer Cairns, Head of Corporate Services and Kari Archibald, Executive Assistant.</p> <p><b>Also attending in part:</b> Eamonn Connelly, Director, Employers in Voluntary Housing (EVH), Robert Pollok, Senior Contracts and Compliance Officer, David Hull ,Consultant ,IT Project Team and Susan Samson, Head of Finance and IT</p> <p><b>Apologies;</b> Lorraine Preston and David Wark</p>	
<p><b>1. Welcome &amp; Apologies</b> The Chair welcomed all to the meeting and welcomed Paul MacNeil to his first Board Meeting and noted the apologies</p>	
<p><b>2. Disclosures of Interest.</b> The Staff present at the meeting declared an interest in the Pensions scheme and agreed to leave the meeting for the Pensions paper (Item 4 on the agenda)</p>	
<p><b>3.. Approval of the Minutes of the 30<sup>th</sup> October 2019</b> The approval of the minutes of the Board meeting of the 30<sup>th</sup> October 2019 was proposed by Elaine Davidson and seconded by Clare Newton subject to some minor typos to be corrected</p>	<b>Approved</b>
<p><b>4.. Matters Arising</b> All matters arising were noted.</p>	<b>Noted</b>
<p><b>5. Board Briefing</b> The CEO spoke to the Board brief highlighting the staff updates.</p> <p>The CEO spoke of the Board and Leadership session at the Conference on the 8<sup>th</sup> of November and highlighted the agreed Key Business priorities. All had agreed that this had been a good session. The Board heard updates on Welfare Reform and also that to date no Freedom Of Information requests have been made to the Association.</p> <p>The CEO informed the Board that the meeting dates for 2020 are in progress and will be issued out in the next week. Board were asked if the start times of the meetings still suit. A majority of the members requested if</p>	<b>Agreed</b>

<p>Audit and DISC could start earlier as there has been a bit of an overlap. All agreed of a start time of 3:30pm for these meetings.</p>	
<p><b>6. Pensions Review</b>                  All staff present vacated the meeting at 6:20pm.</p> <p>Eamonn Connelly of EVH joined the meeting for this item.                  The Chair then invited staff representative, Robert Pollock to join the meeting and speak to the paper which staff side representatives of the Short Life Working Group (SLWG) on Pensions had developed.</p> <p>Eamonn Connolly was asked to give a brief resume of the work of the SLWG.</p> <p>After further discussion the Board, decided to meet again and consider the matter further.</p> <p>At 7:30pm Eamonn left the meeting and staff who had declared an interest were asked to return.</p>	
<p><b>7. ICT Project Update</b>                  David Hull was invited to give an update to the Board on current progress of the new IT system project.                  The Board had been advised previously that post go-live it is not uncommon for unforeseen issues to be discovered, the extent of these issues being largely dependent on the amount of process testing and data validation undertaken prior to the go-live. To assist with the resolution of these issues an additional resource has been seconded to the Project Team from the housing staff                  The Board heard that Phase 2 implementation was next for progress and David guided them all through Appendix 1 of the report ,                  Kelly Adams asked if there were any potential risks by not having some of the functionality in place. David advised that there may in relation to the repairs targets date but that there was some mitigation in place                  The CEO noted that delivering a Tenant Portal for online services would be part of Phase 2 implementation and that this would be a key objective of our Digital Strategy.</p> <p>The Board thanked David Hull for his update                  David vacated the meeting at this point.</p>	
<p><b>8. Service Charge Review</b>                  The Head of Finance and IT brought a detailed report to the Board on a review of Service Charges which had been carried out to improve transparency of our charges to our customers (both tenants and owners). This report gave an overview of the findings and recommendations for recovery of the service charges from tenants.                  The Head of Finance and IT explained in detail all the information provided</p>	

<p>within the report and noted the importance of issues such as affordability and consultation where new charges were being introduced. The Board had three proposed recommended options to consider, being;</p> <p>(1) Increase the charges in full in 2020/21 Financial Year. However the increase may be too high in relation to affordability for customers. The total value of the increases to tenants is £143,431 while total reduction in charges is £89,931.</p> <p>(2) Phased increase in charges over the next 3 years (note there would still be an inflationary increase each year). Phasing in means that the full cost is not recovered until year 3. We will confirm at the next Board meeting what the phasing threshold will be.</p> <p>(3) As option 2, but recharge landlord supply as an average charge across all tenants affected due to the fact that bills are often unreliable estimates and some supplies are unmetered and this will also address some of the significant increases as set out in Appendix 1. This will also be a much more efficient way to apply this charge.</p> <p>After a lengthy discussion the Board agreed for Option 3.</p> <p>The CEO and Chair thanked the Head of Finance and IT for all the hard work and valuable information included in this report.</p> <p>The Head of Finance and IT vacated the meeting at this point.</p>	<p><b>Agreed</b></p>
<p><b>9. Rent and Expenditure Report</b></p> <p>The Director of Finance and Corporate Services presented a paper and also delivered a presentation to the Board. The report outlined expenditure to be funded from rental income and that properly funded from borrowing. The report was intended to assist the Board in advance of its deliberations in respect of the forthcoming rent review and budget setting process.</p> <p>It was noted that while it was acceptable to have deficits in individual years as a result of an overspend against revenue income, this needs to be matched with years where we underspend. As such there is an expectation of (cash) surpluses in some years and deficits in others. Continued deficits were not sustainable in the long run.</p> <p>Kelly Adams appreciated that it could be tricky for someone who is non financial to pick up on some of the information presented. The Board agreed that the presentation was put into a format that was easy to understand.</p> <p>A significant number of questions were asked by Board members in response to the report and presentation, seeking further clarity on the implications for WSHA.</p>	<p><b>Approve</b></p>



<p>RBS and Allia. The Director of Finance then outlined the merits of both offers.</p> <p>Nick Farrell asked for more background on Allia and was advised that this is a Scottish Government Charitable Bond programme . Kelly Adams asked if the RBS offer was cheaper overall. The Director of Finance and Corporate Services explained that the RBS offer was at a competitive variable rate but over a shorter term than the Allia offer while the Allia offer was at a competitive fixed rate over a longer term. The Allia offer also provided a long term cashflow benefit, was efficient in the use of security and contained no financial covenants.</p> <p>The Chair suggested that it would be beneficial for the Board to receive a treasury management session as part of their Training and Development. This would also be helpful to the new board appointments.</p> <p>After consideration the Board</p> <ol style="list-style-type: none"> <li>1. Noted the content of the report</li> <li>2. Approved entering into a new 10 year fixed interest rate period for the £10m Nationwide loan that reverts to variable rate interest on 31 March 2020,</li> <li>3. Approved progressing the Allia Bond offer for £10m with the option of increasing the amount to £15m, and</li> <li>4. Noted the intention to carry out a valuation exercise and documentary review of selected unsecured housing stock to facilitate a future security pledging exercise</li> </ol>	<p><b>Action</b></p> <p><b>Note</b></p> <p><b>Approve</b></p> <p><b>Approve</b></p> <p><b>Note</b></p>
<p><b>14. Extension of Business (Standing Order)</b>                  At 9:30pm the Chair invited Board to approve an extension to the Standing Orders to allow the order of business to be discussed. The Board approved.</p>	<p><b>Approve</b></p>
<p><b>15. Rent Review Consultation and Rent Charges for 2020/21</b>                  The Chief Executive took the Board through a report that outlined the results from the broad range of consultation activities that have been undertaken with our tenants in the last 2 months about our rent proposal for the next financial year. Tenants had been provided with a number of opportunities to provide feedback on the proposal including a web based survey, a postal survey, sheltered housing meetings, local meetings across the areas we have homes, and discussions with staff. The Board noted the overall figures from our excellent consultation responses showing that of the 394 responses there were 211 who were in support of the proposal and 183 who disagreed.                  The Board also noted that the consultation proposal to increase rents by 2.7% had been amended to 2.5% (CPI inflation had reduced by 0.2% between September and October) with the aim of keeping the rent increase as low as possible.</p>	<p><b>Note approve</b></p>

<p>After consideration the Board noted the excellent response to the consultation and approved the recommendation to increase rents by 2.5% from April 2020.</p>	
<p><b>16. Performance Results Q2</b>                  The Head of Corporate Services presented the Q2 invite to the Board and asked them to note the Associations performance against a range of previously approved key performance indicators (KPIs) for the second quarter of 2019 / 2020. She highlighted performance issues in relation to re-let days and arrears and gave the Board an overview of actions that are being put in place.                  The Chair noted that within the report, the Governance body attendance stood at 75% .The Chair expressed to Board that it's important to keep the attendance up and notify of apologies.                  The Board noted the performance results to the end of September 2019 and agreed the performance improvement actions where required.</p>	<p><b>Noted</b></p>
<p><b>17. Corporate Plan Progress</b>                  The CEO spoke to the report and of the progress update in respect of the delivery of the Corporate Plan.                  The Board noted that there was good progress in relation to the specific tasks within the detailed action plan..</p> <p>The Board noted the report.</p>	<p><b>Noted</b></p>
<p><b>18. Culture Programme Update</b>                  The Head of Corporate Services gave Board a progress update in respect of the delivery of the Culture Programme. The update included the Health and Wellbeing results and Internal Communications strategy.                  The Internal Communication strategy had been developed in consultation with all staff and has been amended and updated to reflect learning points from the recent investigation.                  The results from the Healthy Working Lives survey were positive overall. The Board expressed concern about the fact that a small minority of staff stated that they had occasionally witnessed unacceptable behaviours in the last 12 months.                  It was noted that due to the wording of the question we are unaware if these are current issues or past issues.                  Paul McCandlish asked if future staff surveys will cover a 12 month period or be less. The Head of Corporate Services advised that the time period was being considered and that a staff engagement survey would be developed.                  The Board were pleased to note that the Corporate Management Team will promote a zero tolerance approach and ensure all staff are aware of this. The Head of Corporate Services noted that this awareness raising was started at the Staff and Board Conference on 8<sup>th</sup> November by the Chief Executive giving a clear message that these types of behaviours are unacceptable and that if anyone has any concerns they should come and speak to him in confidence.                  The Head of Corporate Services also noted that a new E-Learning Package for staff included a module on addressing Bullying &amp; Harassment</p>	<p><b>Noted Approve</b></p>

<p>Derek McGowan sought clarity in respect of support and training around drug and alcohol awareness and domestic abuse. The Head of Corporate Services noted that we had signed up to the obligations of the “Make a Stand” campaign by CIH.</p> <p>Kelly Adams noticed that from the Internal Communications Strategy that staff indicated they don’t receive communication from the Board. The CEO assured the Board that since he started staff are given 2 monthly updates on all decisions made by the Board and Sub Committees at a Staff Briefing.</p> <p>The Board noted the progress and the results from the Health and Wellbeing Survey</p> <p>The Board approved the Internal Communications Strategy</p>	
<p><b>19. Investigation Outcome Action Plan</b></p> <p>The CEO presented a paper on the final recommendations of the Investigation Sub Committee.</p> <p>The Board noted that in addition to the recommendations set out in the Action Plan in response to Carole Oatway’s Report, the Investigation Sub Committee had made a number of recommendations, all of which were approved by the Board after lengthy discussion.</p> <p>The Following was agreed:</p> <ul style="list-style-type: none"> <li>• All current action plans will be combined in to one overall Organisational Improvement Action Plan (removing duplication). These include:             <ul style="list-style-type: none"> <li>○ The Investigation Sub Committee Action Plan</li> <li>○ Governance Improvement Plan</li> <li>○ Culture Programme Action Plan</li> <li>○ Investors in People Action Plan</li> <li>○ Healthy Working Lives Activity Plan</li> <li>○ HR Strategy Action Plan</li> </ul> </li> <li>• The Board discussed the experience, skills and knowledge required for the General Member vacancy on the Board, noting that having someone in place with knowledge and experience of taking an organisation through a period of culture change would be extremely beneficial. Paul McCandlish expressed the view that Irene Campbell, Chief Executive of Linthouse HA, had made a valuable contribution to the Investigation Sub Committee. The Board agreed that Irene was a perfect candidate for this vacancy subject to further discussion with Irene and the SHR.</li> <li>• WSHA will implement 360 Appraisals to include CEO and all the Leadership Team in 2020.</li> <li>• Issue our first Staff Engagement Survey in 3 months time prior to the start of next year’s round of appraisals (with specific questions for staff on views of the approach of the CEO, Directors, Board etc.)</li> <li>• Develop a Succession Plan for a new Chair of WSHA to be appointed in Sept 2020.</li> <li>• Agreed to engage Ronnie McEwen of the Kinharvie Institute to undertake coaching/learning sessions with the Board. These will focus</li> </ul>	<p style="text-align: center;"><b>Agree</b></p>

<p>on the Board working as a team with one of the sessions to be focused on the Board reflecting on what has happened at WSHA and in particular the concerns of the Regulator and what learning they can take from it to shape the culture with the right behaviours.</p> <ul style="list-style-type: none"> <li>• The Board attend a session with ACAS on their “Behaviours at work - understanding the unacceptable” training course.</li> <li>• The Investigation SC review the final overarching organisational improvement action plan as the final action of their business to ensure it covers all learning and action points.</li> </ul>	
<p><b>20. Reviewing of Whistleblowing Policy</b>                  The Head of Corporate Services spoke to the report and outlined the key changes to the policy and also the addition of Appendix 1 which lays out a more detailed procedure for the Board to follow in respect of complaints against the Chief Executive. The Board agreed that the revised policy should be promoted on a regular basis to raise awareness with staff, it was also noted that this is included in the induction process for new staff. The Board approved the revised policy.</p>	<b>Approve</b>
<p><b>21. Uddingston Local Letting</b>                  The Director of Housing and Customer Services took the Board through a report which set out proposals for a local lettings initiative (LLI) for WSHA properties in the Uddingston area with the aim of improving tenancy sustainability and the demand for our housing.</p> <p>After consideration the Board</p> <p>(1) Approved in principle the proposals outlined in this paper for an Local Lettings Initiative covering 146 WSHA properties in the Uddingston area</p> <p>(2) approved that Housing Services will take forward consultations concerning the LLI with South Lanarkshire Council (Housing Resources) followed by a detailed tenant consultation</p> <p>(3) approved the findings from the consultation exercise will be reported to the WSHA Board in February 2020 together with a progress report concerning the progress achieved with the implementation of the LLI.</p>	<p><b>Approve</b></p> <p><b>Approve</b></p> <p><b>Approve</b></p>
<p><b>2. Health and Safety</b>                  The Board noted the content of the Report.</p>	<b>Noted</b>
<p><b>23. TAG Minutes</b>                  The TAG minutes of the 7<sup>th</sup> November were noted.</p>	<b>Noted</b>
<p><b>24. Resolutions</b>                  RBS Amendment Agreement                  Amendment agreement (the "Amendment Agreement") in relation to a facility agreement so entitled dated 21 September and 4 October 2006 between the West of Scotland Housing Association Limited (the</p>	

<p>"Borrower") and The Royal Bank Of Scotland Plc (the "Lender") as amended and restated by agreements dated 5 and 8 April 2013, 24 and 31 May 2017, 12 and 21 February 2018 and 10 October 2018 (as so amended the "Facilities Agreement")</p> <p>I hereby certify for and on behalf of the Borrower, but without incurring any personal liability, as follows:</p> <ol style="list-style-type: none"> <li>1 that each copy document specified in the Schedule to the Amendment Agreement is correct, complete and in full force and effect as at a date no earlier than the date of the Amendment Agreement;</li> <li>2 attached to this certificate as Appendix 1 hereto is a specimen signature of each individual duly authorised to sign the Amendment Agreement for and on behalf of the Borrower and to sign and/or despatch all other documents and notices to be signed and/or despatched by the Borrower under or in connection with the Amendment Agreement for and on behalf of the Borrower; and</li> <li>3 Attached to this certificate as Appendix 2 hereto is a copy of current registered constitutive documents of the Borrower.</li> </ol> <p>The Board approved and agreed for the Chair to authorise</p>	<p style="text-align: right;"><b>Approved</b></p>
<p><b>25. Notifiable Event</b> The Notifiable Events presented in the report were noted by the Board. The Head of Corporate Services gave the Board an update in relation to the employment tribunal.</p>	<p><b>noted</b></p>
<p><b>26. AOCB</b> <b>None</b></p>	
<p><b>Date of Next Meeting – Wednesday 29<sup>th</sup> January 2020 @ 5:45pm</b></p>	