

**West of Scotland Housing Association
Minutes of the Board Meeting
Camlachie House
Wednesday 26th February 2020, 5.30pm**

<p>Present: Ruth Simpson (Chair), Elaine Davidson, Clare Newton, John Shearer, Nick Farrell, , Kelly Adams, Paul MacNeil, Ryan Docherty, Ann Reid, George Kpodo</p> <p>In Attendance: Brian Gannon, Chief Executive Officer, Colin MacCallum, Director of Finance and Corporate Services, Jennifer Cairns, Head of Corporate Services, Andrew Kubski, Director of Development and Asset Management</p> <p>Also attending in part: David Hull ,Consultant ,IT Project Team</p> <p>Apologies; Lorraine Preston, Paul McCandlish, Derek McGowan, Irene Campbell and David Wark</p>	
<p>Disclosure of Interests No interests were disclosed.</p>	
<p>1. Approval of the minutes of the 29th January 2020 The Board approved the minutes from the Board meeting held on the 29th January 2020.</p>	Approved
<p>2. Matters Arising The Board received an update on actions arising from the previous Board meeting on the 29th January 2020.</p>	
<p>3. ICT Project David Hull gave the Board an overview of progress made in relation to Stage 1 of the project implementation. He advised that Stage 1 was complete with the exception of some issues that Civica are working to resolve. He explained that he was going to focus on the current issue of the Stage 2 implementation which is Civica Financials. He gave the Board an overview of the issues and the Board had a detailed discussion around this.</p> <p>It was agreed that the Director of Finance & Corporate Services would prepare a report for the Board outlining the options and the risks and issues associated with each option. It was agreed that this would be circulated to the Board with a request for decision under the 7 Day Rule if required (but was dependent upon responses being received from Civica).</p>	
<p>4. Budget 2020/21 The Director of Finance & Corporate Services presented the budget for 2020/21. He gave an overview of the income and expenditure areas and the balance sheet position. He also provided confirmation that all covenants would be met with the proposed budget.</p>	

Kelly Adams stated that it was good to savings in relation to overheads. The CEO advised that one of the key actions from the Corporate Plan was to develop an Efficiencies Plan. He had advised himself and the Director of Finance & Corporate Services would be carrying out benchmarking on the annual financial statements from 2018/19 to identify where our costs are higher than RSLs. He also advised that sharing of costs through the G8 group would also assist with this.

The Board approved the budget for 2020/21.

Approved

5. Corporate Business Plan 2020-25

The CEO presented the Corporate Business Plan for 2020-25. He confirmed that there were no changes to the strategic aims, mission statement, vision and values. He outlined the key business priorities for the next year and gave an overview of the strategic option appraisal. The Director of Finance and Corporate gave an overview of the projected financial position and the Head of Corporate Services highlighted the key risks and what was being put in place to mitigate these.

Derek McGowan was unable to attend the Board meeting but had raised comments some queries about the Corporate Plan. Derek queried why the Glasgow Conference has been included under Environmental in the PESTLE analysis. The Board discussed this and the importance of climate change and the outcomes from this conference. It was agreed that this would remain in the plan

Derek also queried the risk scoring for STR7 – Fail to have effective governance arrangements in place. Derek raised that he did not agree with this score due to the focus that the Board has on governance. The Head of Corporate Services advised the Board that this had been discussed fully at the Audit Committee meeting prior to the Board meeting and it had been agreed not to change this risk score until we receive our Engagement Plan from the SHR. The Board agreed with this approach.

John Shearer raised concerns about continued growth and the impact that this would have on affordability for all tenants. The Director of Finance and Corporate Services confirmed that the Board would need to consider this as part of their future discussions about development options beyond 2021.

John Shearer queried how much investment was being included for pre 1919 stock. The Director of Development and Asset Management advised that there was no planned investment in pre 1919 stock. He informed the Board that we have 6 pilot projects being carried out by a consultant at present. Stock condition surveys are being carried out to assess what the cost would be to improve this stock. Following these pilots we will decide how to prioritise investment in this stock.

Ruth Simpson raised the issue that we would need central government

funding to deliver any strategy around pre 1919 stock. The Director of Finance and Corporate Services confirmed this.

The CEO confirmed that tenant affordability would be a focus of decisions that the Board will need to make in relation to development to ensure that we minimise rent increases going forward.

Ryan Docherty raised concerns about rent figures for one apartment properties. He highlighted that these properties are likely to be occupied by single people potentially through the homelessness route therefore we need to look at these rent levels. The CEO agreed and advised that this would be considered as part of the rent review next year.

Nick Farrell queried the financial projections and noted that the surplus decreases significantly. The Director of Finance & Corporate Services advised that this was a result of increasing interest charges over the next few years and the surplus does pickup in subsequent years as rental income increases and interest charges fall as loans are repaid.

Nick asked how we ensure that we continue to make surpluses. The Director of Finance & Corporate Services advised that while we closely manage income and expenditure we only proceed with projects that have been demonstrated to be financially viable. Kelly Adams highlighted that the Board could also decide to use reserves for investment.

Ruth Simpson raised the issue of our growth strategy and why we have not been in a position previously to take on smaller housing associations when the opportunity has arisen. The CEO explained that we have not been in the right position in the past, he highlighted Thistle as an example, one of the key areas for that transfer of engagements was asset management. When the opportunity came up we were struggling with our asset management due staff seconded to the IT Project and staff sickness. We were not therefore in a position to submit a bid. He advised that we would look to develop a model WSHA bid that can be tailored for individual opportunities that come up so that we are prepared.

Kelly Adams also highlighted that the Management Team and Board have also been focused on other issues therefore it would not have been the right time.

Kelly Adams said that she was excited about the Corporate Plan and is really pleased with the plan. Ruth Simpson said that the Board needed to ensure that the business priorities were at the forefront of what we are doing and ensure we focus on these. It was agreed that the Board would monitor progress against the plan through regular updates in relation to the Action Plan.

The Board approved the Corporate Business Plan.

Approved

6. Void and Reactive Repairs Contract

The Director Development and Asset Management gave an overview of the current issues in relation to procurement of the void and reactive repairs contract. He outlined the options open to the Association which included an open tender process, use of a framework and consideration of bringing these services in house. He proposed that the current Reactive Repairs contract is extended to the end of March 2021 to bring it in line with the Void Repairs contract. He also asked for Board approval to develop a business case based on the options outlined in the paper.

Paul McNeil queried how a framework works and an explanation of how public procurement frameworks operate was provided. It was highlighted that this can often be the more expensive option and one of the drivers of this is to ensure we achieve value for money as well as providing a good quality service. The Director of Development and Asset Management explained that he felt it was worth considering whether these services could be brought in house.

John Shearer confirmed that he thought that this would be a good option as employing our own staff would ensure more control over the delivery of services.

Clare Newton highlighted that we could look at models delivered by other RSLs. The Director of Development & Asset Management informed the Board that he had visited other RSLs; these ranged from smaller community based RSLs and bigger RSLs covering a wider geographic area.

There was discussion regarding the grounds maintenance contract and this was highlighted as an example of where an open procurement process doesn't necessarily deliver the best result for our tenants. It was confirmed that any proposed in house service would not include grounds maintenance and would be for void and reactive repairs only.

Ryan Docherty confirmed that the in house was definitely would be worth considering with our geographic spread. The Director of Development and Asset Management provided some feedback from his visits to other RSLs but highlighted it was a huge undertaking and at this point was asking the Board to approve exploring this as an option.

The Board approved the extension of the Robertson FM contract to the end of March 2021 and approved further exploration of the potential of bringing these services in house.

Approved

7. Digital Strategy

The CEO presented the Digital Strategy to the Board. He explained that a staff working group had been involved in the process of developing the strategy and provided an overview of the strategy and the key aims.

Paul McNeil asked for clarification around internet access in new builds. The CEO confirmed that we were currently looking at the best way to

<p>provide this as standard in new builds. Paul confirmed that he thought that this was really positive. The CEO advised that we were also looking to introduce this to sheltered complexes.</p> <p>Kelly Adams queried if the issues we have had with CX will impact on the delivery of the strategy. The Director of Finance & Corporate Services confirmed that this would not impact the strategy as the key issues are limited to Civica Financials.</p> <p>Kelly Adams queried whether this was the right time to deliver this strategy as this would mean more change for staff. The CEO explained that the changes are positive for staff and staff are keen to see these changes particularly around mobile working and the tenant portal. The Head of Corporate Services confirmed that the impact of the delivery of the strategy should increase capacity of staff to focus on priorities, she also advised that the implementation of the Digital Strategy would be considered as part of the workforce development plan to ensure any training and development needs were met.</p> <p>Derek McGowan had raised a query in respect of the Digital Strategy being for a two year period and how this fits in the 5 Year Business Plan. The CEO advised that as things change so often in relation to digital a decision was made to have a 2 year Digital Strategy but he envisaged this being a priority for WSHA throughout the Business Plan period and that the Strategy would be reviewed and updated in 2 years time.</p> <p>The Board approved the Digital Strategy.</p>	<p>Approved</p>
<p>8. Board Policy Reviews</p> <p>The Head of Corporate Services presented a review of Board policies that were due for review in line with the Board Policy Review Schedule.</p> <p>Recruitment Policy – the Board considered the proposed changes and approved the revised policy.</p> <p>Induction Policy – the Board discussed the mentor/buddy system that is outlined in the policy and agreed that while it has not been implemented well in the past due to capacity, they would be keen to keep this in the policy and put in place going forward. Ruth Simpson and Kelly Adams both volunteered to be buddies to the new Board members going forward. The Board approved the revised policy.</p> <p>Entitlements, Payments and Benefits Policy – it was agreed that this review would be deferred as the SFHA will be reviewing this model policy in the coming months. The Board also agreed to defer the discussion around payment of Board members to the March Board meeting due to issues with the Board paper. The Head of Corporate Services apologised for this issue and advised she would issue the paper to the Board the next day.</p>	<p>Approved</p> <p>Approved</p> <p>Action</p> <p>Action</p>

<p>9. Review of Staffing Sub Committee Remit</p> <p>The Head of Corporate Services presented an overview of the key proposed changes to the remit of the Staffing Sub Committee. She advised that the changes made are in line with changes to the Regulatory Standards and EVH terms and conditions. She proposed changes to the Financial Regulations to ensure that they were in line with the remit of this Sub Committee.</p> <p>She highlighted that additional member was required if the Board approved the increase in membership and outlined the skills and experience required. John Shearer volunteered to join the Staffing Sub Committee. This was agreed by the Board.</p> <p>The Board approved the changes to the Staffing Sub Committee remit and approved the change to the Financial Regulations.</p>	<p>Approved</p>
<p>10. Board Briefing</p> <p>The CEO presented the Board Briefing to the Board. He highlighted the initial results of the Staff Engagement Survey. The Board discussed how they would address staff perception of the Board and it was agreed that management would have further discussions with staff to ascertain the reasons behind these results. It was highlighted that it was likely that the decision in relation to the pension was at least partially responsible. The Head of Corporate Services confirmed that more detail around the results and a proposed action plan to address areas of improvement would come to the Board in March.</p> <p>Nick Farrell raised concerns about communication between the Board and staff and he felt that the Board should be doing more. It was agreed that the annual board and staff conference was positive and many organisations do not do this. It was discussed that the Board could have more of a role at the conference this year to raise their profile. It was agreed that the Board would revisit this when they had more information from the full report in March.</p> <p>The CEO outlined the proposal in relation to use Clerk of Works employed by ourselves to provide support for the grounds maintenance contract. This would mean that this cost would not be included in service charges to tenants. This approach was approved by the Board.</p> <p>The Director of Finance and Corporate Services requested delegated authority for himself and the CEO to agree the fixed interest rate that will apply to the new Allia loan for the term of the loan based on the parameters detailed in the report. The loan will be drawn in the next financial year. The Board approved this.</p>	<p>Action</p> <p>Action</p> <p>Action</p> <p>Approved</p>
<p>11. Management Accounts Q3</p> <p>The Director of Finance & Corporate Services gave an overview of the Management Accounts for Quarter 3.</p>	<p>Noted</p>

<p>12. KPI Performance Results Q3</p> <p>The Head of Corporate Services provided an overview of the performance results for Q3. She highlighted areas of improvement and what actions were being put in place to address these. The CEO highlighted that the Leadership Team are now meeting on quarterly basis to review the results and agree how to address areas that require improvement.</p>	<p>Noted</p>
<p>13. Health & Safety Update</p> <p>The Head of Corporate Services presented the quarterly H&S update. The report highlighted the key activities of the Healthy & Safety Committee.</p>	<p>Noted</p>
<p>14. Minutes for Noting</p> <p>The Board noted the following minutes:</p> <ul style="list-style-type: none"> • Tenant Advisory Group Minutes, 3rd February 2020 • Staffing Sub Committee Minutes, 10th February 2020 	<p>Noted</p>
<p>18. Resolutions</p> <p>The Board noted the following approvals had been made using the seven day rule:</p> <ul style="list-style-type: none"> • Two changes in respect of the pension decision – extension of timescales to allow 60 day staff consultation and offer of pension advice to be extended to all staff 	<p>Noted</p>
<p>18. Notifiable Events</p> <p>The Board noted that there were no current notifiable events.</p>	<p>Noted</p>
<p>19. AOCB RSM Seminar</p> <p>Ruth Simpson gave the Board an overview of an RSM seminar that she and Elaine Davidson had attended that afternoon. She highlighted that RSM are working with Glasgow University in relation to involving students in the governance with different organisations. It was agreed that this would be something that we would be interested in doing. The Head of Corporate Services agreed to follow this up with RSM.</p> <p>Ruth Simpson also highlighted a Governance accreditation which is being developed in Scotland by RSM. Kelly Adams declared an interest at this point as she is employed by RSM.</p> <p>The Board agreed that this something they would be interested in following discussions that RSM has with the SHR.</p>	<p>Action</p>
<p>20. Review of Meeting</p> <p>Board members felt that the meeting had gone well. It was highlighted the progress that was being made and the work that had gone into specific areas of work being presented in particular the Corporate Plan.</p>	
<p>Date of Next Meeting – Wednesday 25th March 2020 @ 5:00pm</p>	