

**West of Scotland Housing Association  
Minutes of the Board Meeting  
Hybrid Meeting via Microsoft Teams and Camlachie Boardroom  
Wednesday 30<sup>th</sup> November 2022**

<p><b>Present:</b> Kelly Adams (Chair), Nick Farrell, Ruth Simpson, Elaine Davidson, Paul McCandlish (observer), Derek McGowan, Michael Sozansky, Paul MacNeil, Alison Calder, Ian Whiteman</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 Services), Andrew Kubski (Director of Development &amp; Asset Management), Susan Speirs (Senior Corporate Services Assistant)</p> <p><b>Apologies:</b> Kenneth Fee, Ann Reid</p> <p>Before the start of the meeting Kelly welcomed Paul McCandlish to the meeting.</p>	
<p><b>Disclosure of Interests</b> Staff declared an interest in the EVH Pay Award Proposal and will leave the meeting at this point.</p>	
<p><b>1. Approval of the minutes</b> Michael Sozansky advised that there was a mistake on page 5 of the minutes. Under Item 11 the second sentence should read “He said it was worthwhile... With this correction the minutes were approved. They were proposed by Michael Sozansky and seconded by Elaine Davidson.</p>	<b>Approved</b>
<p><b>2. Matters Arising</b> An update was provided on actions from previous meeting.</p>	
<p><b>3. Draft Budget Proposal 2023/24</b> The Director of Finance gave a presentation on the draft budget proposal for 2023/24 and 30 year financial projections. Donna explained why the budget setting for next year is particularly challenging with the uncertainties around rent setting, the wider economic environment and the requirement to refinance in such volatile times. Three draft budget scenarios have been produced to highlight the differences between these options and to demonstrate the mitigating actions required in each to maintain financial viability whilst balancing investment needs and maintaining service delivery over the 30 year period. The draft budget scenarios have been produced following the annual budget setting exercise which has been carried out in conjunction with the Leadership Team and Directors. For 2023/24, the budget includes the consolidation with Charing Cross HA following the transfer on 1<sup>st</sup> August 2022. The financial plan has been rolled forward and the projected out-turn for 2022/23 is based on the consolidated position.</p>	

Donna noted that Business Plan assumptions have been updated to reflect the latest projections from our Treasury Advisors DTP (November 2022 update) for both inflation and interest rates. Rental income assumptions for the two main scenarios mirror the 5% & 5.9% increase options the Board agreed to consult on, however to support the viability of these options, and for the purposes of the draft budget models, the current cap of £17 per month has been removed. This is discussed in more detail in section 2.1. A Rent Freeze option was also modelled by way of comparison.

Donna explained that consideration of refinancing requirements are also included in the business plans, however this is now based on working capital requirements as opposed to specific loan terms and facilities due to the uncertainties around interest rate risk and rent setting. The Board noted that each of the options presented were financially viable, however there are significant challenges and compromises required in order to achieve this, and the plans are heavily caveated in relation to business plan assumptions in these uncertain times.

Ruth Simpson asked what would happen if we don't have the revised calculations by February of next year in respect of the covenant issue. The Director of Finance advised that we would request a covenant waiver in January and this would cover us for the financial year. She advised that further updates will be brought to the Board.

Ruth Simpson asked if the Scottish Government were aware of the impact a rent freeze would have on Associations. The CEO advised that they were now aware of the impact that this would have.

Nick Farrell asked what the pension deficits were. The Director of Finance advised that there was a gap in the pension fund and that the deficit had to be recovered from Associations. She advised that the latest pension valuation had improved and that there had been no need for pension deficit payments since October 2022 but this situation may change in the future and the payment may be restarted.

Elaine Davidson asked if it had been a five year cap that had been put on rent increases. The Director of Corporate Services advised that she did not think there was a time limit on the cap but she will check this and give more detail on it.

Kelly Adams asked when a decision would need to be made with regard to the refinancing which was due to be done in October 2023. The Director of Finance advised that a decision would need to be made 2-3 months prior to this so there was still time.

Kelly Adams asked if we should be considering a higher rent increase. The CEO advised that he had been at a recent meeting of the G8 Group and that the planned rent increases for Associations in this

**Action**

**Action**

<p>group ranged from 3 to 9%. He advised that it would be up to the Board to make a decision on how high the rent increase should be.</p> <p>Paul McCandlish advised that he would like to keep the level of rent increase as low as possible.</p> <p>The Board noted the initial draft budget options for 2023/24 and 30 year forecast. They also noted the update on refinancing options.</p> <p>After discussion, the Board approved the removal of the WSHA rent increase cap. They agreed to a final 2023/24 draft budget and 30 year financial plan being presented at the February 2023 Board meeting and also agreed to a final proposal on refinancing being presented at the February 2023 Board meeting.</p> <p>Kelly Adams thanked the Director of Finance for her presentation.</p>	
<p><b>4. Agenda Planner/Meeting Dates</b></p> <p>The Director of Corporate Services presented the Annual Agenda Planner to the Board.</p> <p>The Board approved the agenda planner for 2023.</p>	<p><b>Approved</b></p>
<p><b>5. Board Briefing</b></p> <p>The Director of Housing &amp; Community Services explained the background to the Ukraine Longer-Term Resettlement Fund. He advised that the 15 properties that meet the eligibility criteria are in two areas of Glasgow. He advised that just under £450,000 has been applied for to bring these properties up to a lettable standard. The funding application was submitted two weeks ago. We are still awaiting word on whether this application has been successful. The Board will be kept informed of this. He advised that four other organisations have applied for the funding as well. He advised that we will need to enter into a lease with Glasgow City Council if the funding application is accepted and the project proceeds.</p> <p>Kelly Adams asked if we need to get regulatory approval to lease the properties to a third party. The Director of Housing &amp; Community Services advised that once we get approval of the funding then we can notify the Regulator.</p> <p>Elaine Davidson asked if the properties that had been selected were tenemental. The Director of Housing &amp; Community Services advised that they were.</p> <p>The Board approved entering into a lease with Glasgow City Council/HSCP if the funding application is successful.</p>	<p><b>Action</b></p> <p><b>Approved</b></p>

<p>With regard to the item on mould and dampness in the briefing, a more detailed report will go to the Board in January 2023 with regard to how we address any issues of dampness in our stock.</p> <p>The Board noted the other items in the briefing report.</p>	<p><b>Action</b></p> <p><b>Noted</b></p>
<p><b>6. Civica Rectification Plan Project</b></p> <p>The Director of Corporate Services updated the Board on the issues with the Civica housing management and financial systems. She advised that work has commenced on developing a Civica Rectification Plan.</p> <p>An independent consultant, Scott Crowley, has been appointed to carry out a review. Regular updates will be provided to the Board on what is happening with regard to these issues.</p>	<p><b>Action</b></p>
<p><b>7. CXHA Transfer of Engagements Update</b></p> <p>The CEO updated the Board in respect of the transfer of engagements of Charing Cross Housing Association. He advised that the Woodlands and Garnethill Residents Group had been given an update on progress with our Transfer Promises on service delivery and investment and at their recent meeting they had asked to become a constituted residents group.</p> <p>Nick Farrell asked why we were over budget with regard to the transfer costs. The Director of Finance advised that the figures had been based on what we thought we might need without any previous experience of undertaking a similar transfer but the actual figures had been higher than predicted.</p>	
<p><b>8. Management Accounts half year review and outturn forecast</b></p> <p>The Director of Finance advised that this is the first set of management accounts which includes the assets and liabilities of Charing Cross. She advised that we are generating higher surpluses than predicted in the budget. The management accounts for the 6 months to 30 September 2022 show an operating surplus of £1.74m against a budgeted loss of £158k for the period. The accounts also report net current assets of £369k and net assets of £34.4m.</p> <p>The Board noted the Management Accounts for the period to 30 September 2022</p>	
<p><b>9. KBOs &amp; Performance Update Q3</b></p> <p>The CEO presented this report to the Board. He highlighted some key performance results in this report.</p> <p>Michael Sozansky asked what an executor tenancy was. The Director of Housing &amp; Community Services advised that this related to the period between when a tenant dies and when the keys of the property are returned.</p> <p>The Board noted this report.</p>	<p><b>Noted</b></p>

<p><b>10. H&amp;S Report</b> The Director of Corporate Services presented this report to the Board.</p> <p>The Board noted the contents of the report.</p>	<b>Noted</b>
<p><b>11. Subsidiary Report</b> The Director of Corporate Services presented this report to the Board.</p> <p>The Board noted the contents of the report.</p>	<b>Noted</b>
<p><b>12. Tenant Satisfaction Survey Action Plan</b> The CEO presented this report to the Board.</p> <p>The Board noted the progress with actions to respond areas of of improvement identified in the satisfaction survey.</p>	<b>Noted</b>
<p><b>13. Resolutions</b> The Board noted this report.</p>	<b>Noted</b>
<p><b>14. Notifiable Events</b> The Board noted this report.</p>	<b>Noted</b>
<p><b>15. Group Information</b> Michael Sozansky advised that he had not been included on the attendance list for the TAG meeting held on Thursday 13<sup>th</sup> October.</p> <p>The Board noted these minutes along with the minutes of the TAG meeting on Thursday 10<sup>th</sup> November and the WT Board meeting held on 15<sup>th</sup> November.</p>	<b>Action</b>  <b>Noted</b>
<p><b>AOCB</b></p> <p>Kelly Adams advised the Board that Derek McGowan was stepping down from the Board tonight. The Board thanked Derek for his contribution.</p> <p>Kelly advised that Paul McCandlish would now be joining the Board. The Board approved Paul's appointment.</p>	
<p><b>EVH Pay Award Proposal</b> The staff left the meeting at this point. The Board discussed the proposal from the Employer's body EVH and after discussion agreed to support the proposal.</p>	
<p><b>Date of next meeting - Wednesday 18<sup>th</sup> January 2023</b></p>	