

**West of Scotland Housing Association  
Minutes of the Board Meeting  
Hybrid Meeting  
Wednesday 23<sup>rd</sup> February 2022**

<p><b>Present:</b> Kelly Adams (Chair), Ruth Simpson, Nick Farrell, George Kpodo, Ann Reid, Derek McGowan, Marc Sloan, Kenneth Fee, Ian Whiteman, Elaine Davidson, Paul MacNeil, Irene McFarlane, Michael Sozansky</p> <p><b>In Attendance:</b> Brian Gannon, Chief Executive, Donna Paton, Director of Finance, Jennifer Cairns, Director of Corporate Services; Robert Campbell, Director of Housing &amp; Community Services</p> <p><b>Apologies:</b> None</p>	
<p><b>Disclosure of Interests</b> There were no disclosures of interest.</p>	
<p><b>1. Approval of the minutes</b> The minutes from the meeting held on 26<sup>th</sup> January 2022 were approved by Elaine Davidson and Paul MacNeil.</p>	<b>Approved</b>
<p><b>2. Matters Arising</b> The Board noted the update on actions from the previous meeting. Ruth Simpson stated it would be good if the Board were aware of the days that relevant staff work if they work part time so that they know their availability.</p>	<b>Action</b>
<p><b>3. CXHA/WSHA Business Case Final Draft</b> The Chief Executive presented an overview of the final draft of the business case and advised the Board of changes made since Board discussions on the 9<sup>th</sup> February. He advised that some of the text in respect of investment has changed but there has been no changes to the financial plan.</p> <p>Michael Sozansky queried if there had been more emphasis added to the business case in relation to benefits for WSHA tenants. This had been an issue raised by the Board previously. The Chief Executive advised that more detail had been added to the Business Case in relation to a contingency of £3.2 million which is unlikely to be required and will enable WSHA to minimise rent increases going forward for exiting WSHA tenants. He advised that an update on the transfer and business case is being communicated to WSHA tenants in the newsletter this month which is sent to all tenants.</p>	

Irene McFarlane pointed out that there was £13-14 million worth of assets coming to WSHA that would be of significant benefit to WSHA and their tenants.

The Board discussed rent levels and agreed that where possible CPI only rent increases would be implemented for WSHA tenants too. The investment contingency would support this.

Ruth queried if the change in £9.9m to £9.5m causes any issues for CXHA Management Committee. The Chief Executive explained that this change reflects work that CXHA are carrying out pre transfer so the same investment will be made in the stock, it is a change to the timing. He confirmed that there were no outstanding concerns on this from CXHA.

The Chief Executive confirmed that TIS have carried out an independent review of the business case and financial plan. He advised that the SHR have reviewed business case and have fed back some minor changes which have been made including changes to the Equalities Impact Assessment.

The Chief Executive confirmed that we are now in a position that we can move to Stage 1 Consultation with tenants following approval of the business case by our Board and the CXHA Management Committee.

Michael Sozansky queried if it was just tenants who could vote in the ballot. The Chief Executive confirmed that it was only tenants who can vote but that we will seek feedback from owners and shareholding members as part of the process as well.

Elaine Davidson asked if there had been any feedback from owners so far. The Chief Executive confirmed that some owners have attended the focus groups and seem positive about the transfer.

Paul MacNeil asked if Board members could get involved in the door knocking. The Director of Corporate Services agreed it would be really good if any Board members wanted to be involved in the door knocking as Board members had been involved in the door knocking previously when we left Gentoo and it had been really powerful. She advised that she would send out the details of the door knocking to the Board.

Ruth Simpson stated that door knocking for the Gentoo disaggregation had been a really good way to speak to tenants and get to the know the stock so it would be good for Board members to do this for the CXHA transfer.

The Board approved the joint Business Case for a Transfer of Engagements from CXHA to WSHA.

**Action**

**Approved**

Derek McGowan left the meeting at this point.

The Chair thanked the staff for all their hard work on the business case and the process so far and thanked the Board for their commitment to scrutinising and challenging the business case.

#### **4. Corporate Business Plan – Key Business Objectives 2022/23**

The Chief Executive advised the Board that the full Business Plan would be coming to the Board in March and the purpose of this paper was to outline the proposed Key Business Objectives following the Board and Leadership Session and discuss the risks associated with the key business objectives. The CEO and the Director of Housing & Community Services went on to provide an overview of each of the key business objectives and the rationale behind each of objective for the benefit of the newer Board members.

The Director of Housing & Community Services detailed the considerations that needed to be taken into account in respect of rent affordability in the context of the cost of living crises and rise in energy costs. Paul MacNeil agreed that this needed to be a key consideration over the next year.

The Chief Executive noted that the rhetoric around energy costs needed to change to support to reduce energy usage rather than energy costs as how much tenants pay can be out with our control.

Marc Sloan queried the use of home battery operated systems. The Chief Executive advised that work was being done on a Heat and Hot Water Strategy that will come to the Board soon in respect of different options for the Board to consider.

Irene McFarlane suggested that the Chief Executive have a discussion with Southside Housing Association in respect of the review of factoring services.

Michael Sozansky queried the wording of some of the Key Business Objectives where the use of the word review is used and it doesn't reflect what is being delivered or an outcome. The Chief Executive agreed with this and advised that there would be a detailed action plan that would be part of the Business Plan detailing actions for each Key Business Objective.

Irene McFarlane stated that she felt excited to be part of WSHA and stay on the Board with the Key Business Objectives for the next year. She particularly thought it would be good if Willowacre Trust work closely with other charities and third sector organisations to provide wraparound services.

<p>She went on to say though that the Board should be cautious about planning too much in the year ahead as the CMT are only human. She suggested that the Key Business Objectives are reviewed to reflect a period of consolidation and embedding a lot of the changes including CXHA transfer of engagements, introduction of mid market rent and review of factoring services. She advised that we need to consider the impact internally of some of these changes and ensure we manage the implications for staff.</p> <p>It was agreed that the CMT would look at this further for the Board meeting in March. It was suggested that consolidation could be an additional objective but the CMT will consider the best way of incorporating this point into the Business Plan and ensure that the message from the Board in respect of consolidation of what is in place is communicated to staff.</p> <p>The Chair confirmed that the Board are supportive of this message and ensuring that this is communicated to staff and agreed that the Corporate Management Team will consider the best way of doing this and report back to the Board.</p> <p>Irene McFarlane stated that with the growth in Pre 1919 for WSHA was a positive in that WSHA could add a stronger voice in discussions and lobbying in respect of funding for pre 1919 stock.</p> <p>The Director of Corporate Services presented an overview of the risk assessment that had been carried out in respect of the key business objectives. She highlighted the new operational risks and cumulative operational risks that potentially will increase. She also detailed the significant causes to be considered in terms of risk management.</p> <p>Kelly Adams suggested that the delivery of the CXHA transfer of engagements should also be a significant cause as there would be an impact on our risks if this transfer was not to go ahead or there were significant issues in relation to the process. It was agreed that this should be considered as a potential significant cause.</p> <p>The Board noted that the March Board meeting will receive the full and final Corporate Business Plan for 2022/27 for approval.</p>	<p><b>Action</b></p>
<p><b>5. Westscot Living Lease and Service Level Agreement</b>  The Director of Corporate Services presented the draft lease and Service Level Agreement for Westscot Living. She outlined the purpose of the lease and the fact that WSHA remain owners of the assets but Westscot Living is the landlord.</p> <p>She advised the Board that it is being proposed that the length of the lease is 30 years which is the duration of the development funding. She advised that there was also VAT implications. The Director of</p>	

<p>Finance explained that we have recently had a VAT review carried out and the advice from the consultant is that the way we can benefit most from the VAT aspect is to have a lease in place which is in excess of 20 years. She advised that this length of lease gives more flexibility in terms of VAT relief.</p> <p>Nick Farrell commented that as Chair of Westscot Living Board, that the Board took comfort from Harper McLeod's involvement in the lease and the fact that Westscot Living is not an arm's length organisation.</p> <p>The Board approved the Lease and Service Level Agreement between Westscot Living and West of Scotland Housing Association for the delivery of Mid Market Rent.</p>	<p><b>Approved</b></p>
<p><b>6. Quarterly Key Business Objective Progress and KPI Update Q3</b></p> <p>The Director of Corporate Services presented an update on progress made on the Key Business Objective Action plan for Q3. She advised that a number of actions have been completed with the majority of actions on track for completion by the end of March.</p> <p>She presented an overview of the performance against KPI targets for the quarter.</p> <p>Kelly Adams queried about the increase in staff turnover and asked if staff had left for similar jobs with higher salaries. The Director of Corporate Services confirmed that this was not the case with the exception of one recent resignation. Ken Fee explained that there is currently a lot of volatility in the employment sector just now in all sectors. The pandemic has significantly increased levels of movement. The Director of Corporate Services agreed with this and explained that from conversations with other RSLs, turnover has increased throughout the sector.</p> <p>Irene McFarlane stated that WSHA as have other RSLs, have taken a principled approach to implementing EVH terms and conditions whereas some RSLs have used them to complete against those of the same size in the sector to obtain staff.</p> <p>She highlighted that WSHA should be reviewing their gradings in line with their growth and she would expect to see a paper on this at the next Staffing Sub Committee meeting.</p>	<p><b>Action</b></p>
<p><b>7. Q3 Management Accounts</b></p> <p>The Director of Finance presented the Management Accounts for Q3. She highlighted that there is a surplus much of which is due to delay in the investment programme due to issues with the Kitchen and Bathroom contractor and delays in the windows programme. The Chief Executive emphasised the fact that there should not be</p>	

<p>surpluses and we want to be investing in our stock. Kelly Adams queried what figures look like now. The Director of Finance advised that there has been an increase in repairs and investment expenditure.</p>	
<p><b>8. Annual Stakeholder Report</b> The Director of Corporate Services presented the Annual Stakeholder Report for noting.</p>	
<p><b>9. Board Brief</b> The Chief Executive gave an overview of the Board Brief which included an update on the discussions with the group of tenants at Overtown/Law Street. He also provided an update in relation to the procurement of the Kitchen and Bathroom contract where the current contractor has entered administration.</p>	
<p><b>10. Resolutions</b> There were no resolutions to report.</p>	
<p><b>11. Notifiable Events</b> The Director of Corporate Services provided an update on the outstanding Notifiable Event and advised the approval of the lease between WSHA and Westscot Living will be a notifiable event.</p>	
<p><b>12. AOCB</b> In response to a query on progress with implementing integration between our Finance and Housing systems, the Chief Executive provided an update on the recent meetings with Civica and how this was being taken forward.</p>	
<p><b>13. Review of Meeting</b> The Board reviewed the meeting and agreed that it was a bit over time but potentially more time should have been allocated to the Corporate Business Plan discussion.</p>	
<p><b>Date of Next Meeting – 30<sup>th</sup> March 2022</b></p>	