

**West of Scotland Housing Association  
Minutes of the Board Meeting  
Hybrid Meeting via Microsoft Teams and Camlachie Boardroom  
Wednesday 30<sup>th</sup> August 2023**

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| <p><b>Present:</b> Michael Sozansky, George Kpodo (joined meeting at 6.05pm), Paul McCandlish, Kenneth Fee, Elaine Davidson, Ann Reid, Paul MacNeil, Kelly Adams (Chair)</p> <p><b>In Attendance:</b> Brian Gannon (CEO), Jennifer Cairns (Director of Corporate Services), Robert Campbell (Director of Housing &amp; Community Support Services), Donna Paton (Director of Finance &amp; IT), Gemma McDonald, BDO joined meeting for Item 3.</p> <p>The Chair advised that Nicola Wason, a prospective Board member was attending the meeting as an observer.</p> <p><b>Apologies:</b> Irene McFarlane, Ruth Simpson, Nick Farrell, Alison Calder</p>   |                 |
| <p><b>Disclosure of Interests</b><br/>There were none.</p>  |                 |
| <p><b>1. Minutes of the Previous Meeting</b><br/>The minutes of the previous meeting were accepted as a true and accurate record. They were proposed by Kenneth Fee and seconded by Michael Sozansky.</p>   | <b>Approved</b> |
| <p><b>2. Matters Arising</b><br/>An update was provided on the actions from the previous meeting.</p>   | <b>Noted</b>    |
| <p><b>3. Internal Audit Annual Report</b><br/>Gemma McDonald from BDO attended the Board meeting to present the Internal Audit Annual Report. She outlined the audits that had taken place over the year and the outcome of these audits. She advised the Board that there had been no audits with limited assurance and there had been no high significant findings. She provided an overview of the annual statement of assurance.</p> <p>Kelly Adams reminded the Board that each of the internal audit reports had been to the Audit Committee over the year and had been discussed in depth. She also highlighted to the Board the importance of this annual report and the annual statement of assurance.</p> <p>Kelly asked Gemma MacDonald if the external auditors had been in touch with BDO as part of the external audit. Gemma advised that she was not aware of them being in touch. The Director of Corporate Services advised that the external auditors are provided with all internal audit reports and Audit Committee minutes as part of the audit.</p> |                 |

Kelly also asked about the contingency days that were not used. The Director of Corporate Services advised that the number of audits this year and the previous year had been reduced due to the number of audit areas identified and to ensure that the number of recommendations to complete is manageable. She advised that these days were available to use if any areas of concern arose through the year or if the Board or Audit Committee wished any additional areas to be audited. She advised there were similar contingency days if these were required.

The Board approved the Internal Audit Annual Report.

**Approved**

**4. Annual Accounts 2022/23**

The Director of Finance presented the annual accounts for 2022/23. She advised that the income has increased by approximately £3m. This is a result of the rent increase, new build rent and the Charing Cross Transfer of Engagements. She advised that we have seen a continued increase in management and maintenance costs due to inflationary increase in costs. She explained to the Board that cost of borrowing has also increased. She advised that there is an increase of over £20m in the balance sheet but explained that this was a result of the transfer of Charing Cross and an increase in book value, not a cash increase. She went on to highlight that the pension liability has increased from 0 at last year to £980k and this was due to updated actuarial valuations.

Kelly Adams advised the Board that the Audit Committee had met with the external auditors and had reviewed the accounts in detail and were able to recommend approval of the accounts to the Board.

- The Board approved the annual financial statements and approved to delegate the signing of the Directors Report and Statement of Board’s responsibilities in respect of Internal Financial Control to the Company Secretary, Chair and Chair of Audit Committee
- Delegate signing of the Letter of Representation to the Chair and Company Secretary

**Approved**

**5. Treasury Management Report**

The Director of Finance presented the Annual Treasury Management Report to the Board. She advised that the outstanding loans had increased by £8m which was due to the final drawdown of the RBS loan.

She explained that the Treasury Management Policy had recently been reviewed and approved by the Audit Committee and outlined the changes to the policy. She advised that the review of policy

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| <p>included an amendment to the ratio of variable and fixed loans and the maximum of variable loans had been reduced from 50% to 40%. She confirmed that we are currently sitting at 36% just now.</p> <p>The Director of Finance advised that we currently have sufficient security in respect of our current loans but may need additional security as we draw down further lending. She explained that we met all our covenants and going forward she will be reporting to the Board quarterly in respect of treasury management activity and performance as part of the Management Accounts report.</p> <p>She advised that the Charing Cross Nationwide Loan was paid earlier this year and we are proposing the repayment of the Clydesdale loans this year as there are high interest costs on this loan and it would result in a saving of £15k per annum.</p> <p>She explained that it has been decided not to go ahead with the sustainable amendment agreement with RBS as the costs currently outweigh the reduced margins. This is something that we can look at again in the future.</p> <p>The Board noted the decision not to proceed at this time with the ESG element of the RBS loan and agreed to receive quarterly updates in respect of Treasury Management.</p> <p>The Board approved the repayment of the 3 Clydesdale Bank loans relating to Charing Cross transfer of engagements.</p> | <p><b>Approved</b></p> |
| <p><b>6. Draft Charter Report</b></p> <p>The Director of Corporate Services presented the draft Annual Return on the Charter Report for tenants. She advised the Board that TAG had been consulted in respect of the format and that they would review the final version before it is confirmed.</p> <p>She advised the Board that the report details our performance against key charter indicators in 2022/23. The report compares our performance to the previous year and also compares our performance to the Scottish Housing Network average. The report also advises tenants what improvement actions will be put in place in respect of areas of reduced performance.</p> <p>She advised that the report will be on our website once finalised and the link will be issued to tenants by email, text, through the customer app and promotion on social media. We will also write to tenants that we don't have an email address or mobile number for and advise them they can access the link but also to contact us to request a hard copy if required. There will be an audible version of</p>  |                        |

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| <p>the report on the website and a word document which will enable translation into other languages to ensure that the report is accessible tenants.</p> <p>Michael Sozansky commented that the report is well designed and presentation is great.</p> <p>The Director of Corporate Services advised that report still had to be approved by TAG and that she would advise the Board if TAG were proposing any significant changes.</p> <p>The Board approved the draft Charter report pending any further changes from TAG.</p>   | <p><b>Approved</b></p> |
| <p><b>7. Business Planning Review Timescales</b></p> <p>The Chief Executive advised the Board that DTP have undertaken a review of our Business Planning process and will be facilitating the business planning session on the 21<sup>st</sup> September. He provided an outline of the session for Board members. He went on to remind the Board that as previously agreed, DTP would also be working with the Board and CMT to carry out a Strategic Options Appraisal. He advised that while some Housing Associations carry out strategic options appraisals to consider significant changes, it is also consider to carry out an options appraisals every so often as a matter of good practice to ensure that the Board is planning for the future. He advised that this strategic options appraisal was being carried out in respect of this good practice guidance rather than any requirement for the organisation to consider significant change. He advised the Board that Paul Hilliard from DTP would be in touch with Board members directly to get their input. He explained that DTP would present the Strategic Options Appraisal at the November Board meeting.</p> <p>The Chair reminded all Board members that attendance at the Business Planning session was important as it was the Board's responsibilities to lead the strategic direction of the organisation. She advised that for any reason a Board member cannot attend then they should let Kelly know and also provide their feedback and views to Kelly in advance of the session so that this had been fed into the process.</p> <p>The Board approved the plan and timetable (to be presented at the meeting) for reviewing our Corporate Business Plan and undertaking a Strategic Options Appraisal with consultants DTP.</p> | <p><b>Approved</b></p> |

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| <p><b>8. Volunteer Policy</b></p> <p>The Director of Corporate Services gave a background to this policy.</p> <p>She outlined the purpose of the policy in respect of ensuring we have a consistent approach to volunteers and gave an overview of the different categories of volunteers.</p> <p>Paul MacNeil queried what types of services would be delivered by volunteers for Willowacre Trust. The Director of Corporate Services advised that they are currently volunteers involved in the community garden in Barrowfield and in the past we have had volunteers involved in community gardens in other communities. She also advised that we had previously had volunteers working with our welfare rights team. She advised the volunteering would depend on an individual's skills and interests and where it would be appropriate to support a volunteer. She advised that we would only have volunteers in place where we have the capacity to provide support.</p> <p>Kenneth Fee mentioned that it would also be good to approach some of the bigger companies that we work with in respect of them doing volunteering as part of their corporate social responsibility. The Director of Corporate Services advised she would discuss this with the Community &amp; Support Services Manager.</p> <p>The Board approved the Volunteer Policy.</p> | <p><b>Approved</b></p> |
| <p><b>9. Board Brief</b></p> <p>The CEO presented the Board Brief and advised the Board that there were some items for approval:</p> <p><b>Rent, Service Charge and Occupancy Charge policy amendment</b></p> <p>The Director of Housing &amp; Community Services advised that Section 6.4 of this policy currently states that for new build properties, "...rent levels applied will be the Scottish Government Social Benchmark rents as at the financial year in which the properties are due to be handed over. WSHA's Rent Policy Rent will then be applied in the following financial year properties are due to be handed over."</p> <p>Due to changes in the guidance related to new build developments, this is no longer required and therefore rents should be applied using WSHA's Rent Policy rent from the first let (each new build scheme continues to be assessed for financial viability and are subject to separate appraisals).</p>  |                        |

He then asked the Board to approve the removal of the reference to the Scottish Government Benchmark rent with the wording in section 6.4 changed to:

“For all new build properties or refurbishment schemes funded under the Scottish Government Affordable Housing Supply Programme, rent levels applied will be WSHA’s Rent Policy Rent.”

The Board approved the policy change.

### **Glasgow – Strategic Acquisition Programme**

The Director of Housing & Community Services advised the Board Glasgow City Council has funding available for RSLs to work in partnership with them to increase the supply of affordable housing that meets established criteria by purchasing private sector properties. The overarching condition is that RSLs who receive funding to acquire a property must engage with and provide a let to a household identified by Glasgow City Health and Social Care Partnership’s Homelessness Services. This would either be the property acquired if vacant, or an alternative property owned by the RSL.

He advised that participation in the programme aligns with our Consolidation Strategy and would assist the local authority with their priorities. The programme provides 100% funding for acquisitions up to the value of the Home Report, subject to a maximum value criterion. The funding also provides up to a maximum of 50% of works to improve pre-1919 properties to a tolerable standard.

The guidance for this programme includes the following criterion:

*RSLs should investigate and be satisfied that purchasing a property will not result in a household (for example, sitting tenants) becoming homeless. Through their own allocation policies, RSLs can choose to offer a Scottish Secured Tenancy if a household living in a property could be affected by the potential purchase and may be at risk of homelessness. A subsequent additional sub-let must be offered to a S5 household.*

He explained that neither our Allocation Policy nor Letting Strategy can accommodate prioritising current occupants of such properties over others already prioritised on our waiting list. As we want to participate in this scheme, we need to ensure the occupant of the property being acquired is not at risk of homelessness. He asked the Board to approve the following:

- occupied properties acquired via this scheme are not to be considered part of our normal lettable stock for the first let

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| <p>(which would allow us to offer the person(s) a Scottish Secure Tenancy and therefore remain in their home.)</p> <ul style="list-style-type: none"> <li>• Allocation of an additional WSHA property to a section 5 household for each occupied property acquired via this programme. These lets would be over and above the 60% section 5 target set for Glasgow in the Letting Strategy.</li> </ul> <p>The Board approved this approach.</p>   | <p><b>Approved</b></p> |
| <p><b>Broomhouse Rent Consultation</b></p> <p>The Director of Housing &amp; Community Services advised the Board that in 2015 WSHA acquired stock following a transfer of engagements from Broomhouse Housing Association (BHA). As part of the transfer commitments, a rent guarantee was agreed for existing tenants. Although the guarantee is not straight forward, in summary, transfer tenants have been guaranteed tri-annual rent increases based on WSHA’s preceding three annual rent increases.</p> <p>He explained that based on this commitment, Broomhouse transfer tenants should be consulted with on a rent increase of 9.09% commencing from January 2024 (for reference, the last one in January 2021 was 10.2%).</p> <p>He advised that the Board is asked to approve commencing a rent consultation exercise with Broomhouse transfer tenants based on a January 2024 increase of 9.09%</p> <p>The Board approved the rent consultation.</p>   | <p><b>Approved</b></p> |
| <p><b>Sustainable Reporting Standards for Social Housing</b></p> <p>The Chief Executive reminded the Board that they approved our new Sustainability Strategy in June this year. He explained that an action in this strategy was for the West of Scotland Group to achieve and adopt the Sustainability Reporting Standards for Social Housing. We have investigated further what this involves. The starting point is for WSHA to sign up to the <i>Adopter Commitment Statement</i> .</p> <p>He explained that in signing this statement, we have to confirm our commitment to become an adopter of the Sustainability Reporting Standard for Social Housing (“the Standard”).</p> <p>This involves committing to:</p> <ul style="list-style-type: none"> <li>• <i>Report against the final version of the Standard by 31/10/24 for the financial year ended 31/03/24.</i></li> <li>• <i>Continue to report against the Standard on an annual basis for as long as we remain an Adopter.</i></li> <li>• <i>Provide feedback on the Standard as a way of supporting the further development of the Standard.</i></li> </ul> |                        |

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| <ul style="list-style-type: none"> <li>• <i>Encourage others to adopt the Standard</i></li> </ul> <p>The Chief Executive explained that he had reviewed the Reporting Standard criteria and is confident that reporting on the Standards should be relatively straightforward for WSHA due to the progress made over the last 3 years.</p> <p>The Board approved to sign up to these reporting standards.</p> <p>Changes to Financial Regulations<br/>The Director of Finance presented proposed changes to the the Financial Regulations in respect of authorisation and budget limits for individual staff members.</p> <p>The Board approved the changes to the Financial Regulations.</p>  | <p><b>Approved</b></p> <p><b>Approved</b></p> |
| <p><b>10. Management Accounts Q1</b></p> <p>The Director of Finance presented the management accounts for Q1. She provided an overview of income and expenditure. She advised the Board that the costs for Everwarm were currently accruals due to invoicing issues and we are working with Everwarm to get these valuations and invoices in.</p> <p>Kelly Adams queried the risk in respect of this. The Director of Finance advised that the accruals had been done on a prudent basis to mitigate the risk of invoices being significantly more than works orders.</p> <p>She advised that the shortfall in income was a result of the ongoing delay with Dalmarnock station.</p> <p>The Board noted the Management Accounts for Q1.</p>  | <p><b>Noted</b></p>                           |
| <p><b>11. KBO and Performance Update – Q1</b></p> <p>The Chief Executive gave the Board an update in respect of progress made on Key Business Objectives for the first quarter. The Director of Corporate Services provided an update on the progress with the CX Housing Management System project.</p> <p>Kelly Adams queried what the risks were in respect of the issues that we had with the allocations system. The Director of Corporate Services advised that there would have been a risk if we had been allocating from the waiting lists as we were not certain that these were accurate therefore the Housing Team mitigated this risk during this period by allocating to section 5 referrals. She advised that following the rebuild of the allocations configuration, the system is now working and the teams are carrying out extensive testing to ensure everything is working as it should be. Following</p> |   |



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| <p>this, we will move to implementing the banding and online application form with support from Civica.</p> <p>Paul MacNeil commented that it was good to see the progress in respect of actions relating to Damp and mould.</p> <p>The Chief Executive presented the performance results for Q1. He advised that we are starting to see an improvement in repairs performance as Everwarm have invested in new software.</p> <p>Ann Reid queried when the current Grounds Maintenance contract was due to end. The Director of Housing &amp; Community Services advised that it had another year to run and there was then the option to extend for a further 2 years.</p> <p>The Board noted the contents of the report.</p> | <b>Noted</b> |
| <p><b>12. Digital &amp; IT Strategy Update</b><br/>The Board noted the contents of this report and commented on the good progress made.</p>  | <b>Noted</b> |
| <p><b>13. Secretary Report</b><br/>The Board noted the contents of this report.</p>  | <b>Noted</b> |
| <p><b>14. H&amp;S Report</b><br/>The Board noted the contents of the report.</p>   | <b>Noted</b> |
| <p><b>15. Subsidiary Report</b><br/>The Director of Corporate Services presented an update in respect of our subsidiaries. She gave an update in respect of the handover of the first MMR properties. The Chief Executive gave the Board an overview of the current situation at Dalmarnock Station development and advised that this was being monitored closely by DAMSC.</p>  |              |
| <p><b>16. Staff Engagement Survey Results</b><br/>The Director of Corporate Services provided the Board with an update on the Staff Engagement Survey Results. She advised that a Staff Consultation Group has been established and one of the first tasks for the group will be to review the results and come up with action plan to address areas that require improvement. She advised that the Board would be kept updated on this. It was also agreed that it would be beneficial for members of the Board to attend the consultation group on occasions,</p> <p>The Board noted the contents of this report.</p>  | <b>Noted</b> |
| <p><b>17. Resolutions</b><br/>The Board noted the contents of this report.</p>   | <b>Noted</b> |
| <p><b>15. Notifiable Events</b></p>  |              |

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| The Board noted the contents of this report.                                      | <b>Noted</b> |
| <b>AOCB</b><br>There was no other competent business.                             |              |
| <b>Review of Meeting</b><br>The board agreed that the meeting has gone very well. |              |
| <b>Date of next meeting - 27<sup>th</sup> September 2023</b>                      |              |