

**West of Scotland Housing Association
Minutes of the Board Meeting at Camlachie House
Wednesday 21st February
PUBLIC MINUTES**

Some Information has been removed for confidentiality

<p>Present: Ruth Simpson (Chair), Elaine Davidson, Ena Hutchison, Ann Reid, John Shearer, Robert Higgins, Paul MacAninch and Colin Menabney</p> <p>In Attendance: Lynne Donnelly, Chief Executive Officer, Colin MacCallum, Director of Finance and Corporate Services, Jennifer Cairns, Corporate Services Manager and Kari Archibald, Executive Assistant.</p>	
<p>1. Apologies Apologies were submitted by Clare Newton, Katy McLeod and Rab Morrow.</p>	
<p>2. Disclosures of Interest. None.</p>	
<p>3. Approval of the Minute of 31st January 2018. The approval of the minutes from the Board Meeting of 31st January 2018 was proposed by Elaine Davidson and seconded by Robert Higgins.</p>	Approved
<p>4. Matters Arising All matters arising were noted. The CEO referred to section 21 regarding the SHR discussion paper 'Our Regulation of Social Housing' and reminded members to forward comments to her for inclusion in the response which would be presented at the next meeting.</p>	Noted
<p>5. Board Briefing The CEO provided an overview and update on the information from the Board Briefing.</p> <p>The Chair referred to the information on the two preferred candidates for membership of the Board. Members noted that both bring additional experience and skills to the Board particularly in relation to Housing, civil and criminal law and housing and community safety. The Board approved both appointments.</p> <p>The CEO updated on Our Power and the Proposed Social Housing (Automatic Fire Suppression Systems).</p>	Approved
<p>6. Carillion PLC Contract Novation - Update The CEO provided an update to the Board and informed that the novation agreement was near finalisation and that Robertson FM continues to work with the property team to implement the mobilisation plan. The Board</p>	Noted

noted the update	
<p>7. Board Member Annual Review Guidance</p> <p>The Corporate Services Manager presented a report on the proposed guidance for Board members when conducting the Annual review.</p> <p>The report highlighted issues for consideration, including greater emphasis on individual member contributions, re-assurance of effectiveness for members who have been on the Board in excess of 9 years, and the inclusion of links to the Regulatory Standards of Governance and Financial Management. The Board noted the report and approved the proposed guidance.</p>	Noted Approved
<p>8. Draft Business Plan</p> <p>The CEO presented the Draft Business Plan to the Board confirming the report reflects Board discussions throughout the year, the annual conference and of the outcomes agreed at the staff and board away day in February 2018.</p> <p>The CEO highlighted on areas within the Plan such as draft budget and performance against KPIs in Quarter 3.</p> <p>The members noted the content of the draft Business Plan and agreed that it was useful to publish a summary version on website.</p> <p>The Board agreed to approve the draft Business Plan and also noted that a summary version would be presented at the March 2018 meeting. The Board also noted that the budget and performance figures contained within the report would be updated once Board approved the annual budget and year end performance information was available.</p>	Approve Approve Noted
<p>9. Board Expenses Policy</p> <p>The Corporate Services Manager spoke to the report and invited the Board to consider and agree the preferred approach to each discussion prior to adoption by WSHA.</p> <p>The Chair suggested that the Corporate Services Manager take each discussion point at a time and requested the Board to give thought and consideration throughout.</p> <p>All discussion points decided and agreed. The Board felt this was a worthwhile exercise and demonstrated their commitment to ensuring value for money was achieved. Members gave approval of the policy of adoption by the Association was granted</p>	Agreed
10. Performance against KPIs	

<p>The Corporate Services Manager presented a report on the previously approved KPIs for quarter 3 of 2017/18.</p> <p>The Board noted the performance results and performance improvement actions where required.</p>	Noted
<p>11. Performance Against Business Plan Q3</p> <p>The CEO highlighted that the majority of targets had been achieved and some were ahead of schedule. Board noted that, due to the delay in delivering the Stock Condition Survey data, the Asset Management Strategy would be carried forward into 2018-19.</p> <p>The CEO advised that the Staffing Sub Committee had convened on the 15th February and that an agreement was made to advertise a two year fixed term contract to provide additional support within Corporate Services. The Board noted their agreement, in principle, to the recommendation and agreed to review the decision under the 7 day rule. The CEO agreed to issue a paper for consideration and approval.</p> <p>The Board noted the content of the report</p>	<p>Action</p> <p>Noted</p>
<p>12. Management Accounts</p> <p>The Director of Finance and Corporate Services presented the Management Accounts of the Association for the nine months leading up to 31st December 2017 along with the current expected outturn for the financial year.</p> <p>The Board received a presentation showing the summary of results detailing the Operating surplus and Surplus values. The other tables presented to the Board contained information on Income, Expenditure, Maintenance, Overheads, Non operating Income and Development progress.</p> <p>The Board noted the accounts for the period presented and the anticipated changes to the expected outturn for the financial year.</p>	Noted
<p>13. Tenants Consultation – Rent Setting Feedback</p> <p>The Corporate Services Manager provided Board with feedback from tenants on the proposed rent increase and requested Board approval for the rent and service charge as discussed and provisionally agreed at the Board meeting of 29th November 2018.</p> <p>The Corporate Services Manager informed that there had been 178 respondents and that all tenants will be notified of the rent increase once agreed by Board. The Board noted progress on the rent harmonisation process.</p> <p>The Corporate Services Manager reminded Board that that the rent increase would be by 4% and cap the increase at a maximum of £17 per month and that the increase of service charges would be 3%</p>	

After consideration and discussion the Board approved the rent increase of 4%, the cap of £17 per month and the 3% interest charge.

Approved

14. Budget Report

The Director of Finance and Corporate Services presented the draft Budget for the financial year 2018/19 to Board and informed on areas being;

- (1) the rental income forecast for 2018/19 was £14.1million;and
- (2) from the rental increase £41k is attributable to new properties which would be completed in the year
- (3) the principal increases in expenditure were shown in table 3 in the report and were to staff costs, property maintenance, housing depreciation and housing services
- (4) the principal increases in overheads costs were attributed to IT Licences and depreciation which in turn reflected our continued use of Orchard and the implementation of the new IT systems. There were also increases in consultancy costs associated with stock valuations and the review of pension provision
- (5) the definition of the Interest Cover Ratio (ICR) was revised to include the deduction of capitalised repairs expenditure

The Board discussed the Budget report and enquired about the termination date of Orchard and if any other outstanding costs associated with Gentoo Group.

The Director of Finance and Corporate Services advised the Board that while the draft budget met the ICR covenant requirement the result was very tight and it would not take much deviation from budget such that the covenant outcome breached the required level. The Director of Finance and Corporate services asked the Board to consider and approve one of two options of the repairs budget being;

- (1) Repairs budget set at £6.254m with a £0.2m deferral into Q4; or
- (2) Repairs budget set at £6m now with a review at the mid year

Both these options would provide additional headroom to ensure the covenant was met. In each case the Repairs budget would be revisited at the half year and subject to performance at that time could be reinstated to the £6.254m if deemed appropriate

During the discussion the Director of Finance also advised that there was some further work into the rental income figure to be completed as the percentage uplift in the draft budget paper was lower than anticipated. In addition, there would likely be some capitalisation of development salaries during the year. Any adjustments to the draft budget arising from these matters would assist meeting the covenant requirement.

After discussion the Board agreed to approve Option 2.

<p>The Director of Finance then advised the Board that as there were limited further adjustments to made to the draft budget requested that the Board consider approving the budget, subject to the adjustment set out in option 2.</p> <p>The Board approved the draft budget 2018/19.</p> <p>Colin Menabney vacated the meeting at this point. The Chair vacated at this point of the meeting. The Vice Chair continued the meeting,</p>	<p>Approved</p>
<p>15. Audit Committee Annual Report The Chair of the Audit Committee presented a report to the Board giving the overview of the work of the Audit Committee during the period of January 2017 to December 2017.</p> <p>The Board noted the content of the report</p>	<p>Noted</p>
<p>16. Review of Conference and Training Feedback The Chair re-entered and chaired the remainder of the meeting</p> <p>The Corporate Services Manager provided a report detailing the revised Board and Training Policy.</p> <p>The Corporate Services Manager advised that this would lead to improvements around feedback from Board members who attend training and conferences.</p> <p>The Board noted the report and approved the revised Board Training Policy.</p>	<p>Approved</p>
<p>17. Regulatory Standards of Governance The CEO referred to the report, outlining the link between a selection of papers and the standards</p>	<p>Noted</p>
<p>18. Audit Committee Minutes -29th November The minutes of the Audit Committee meeting of the 29th November was noted.</p>	<p>Noted</p>
<p>18. Minutes of TAG The minutes of the Tenant Advisory Group meeting of 22nd January 2018 was submitted and noted.</p>	<p>Noted</p>
<p>19. Resolutions The Corporate Services Manager informed of a requirement for the Chair to sign a minute extract regarding Amendment agreement relating to a facility agreement must be signed at this meeting.</p> <p>The Board approved for the Chair to sign the minute extract.</p>	<p>Approved</p>

20. AOCB

The Chair informed the Board that Rab Morrow has now resigned from the Board. The Board acknowledged Rab's contributions over the years and requested that a message and gift of thanks would be sent to him.

The Board raised an issue that the papers are of a high volume and a suggestion of improvement would be to view the papers electronically. The Corporate Services Manager informed that this would be dealt with in future as the intranet would feature a member's only section for the Board.

No other Business was raised and at the Chair made a request for all staff to leave the meeting and members continued a discussion in private session and the Chair closed the meeting at 8:57pm.

Action

22. Date and time of next meeting Wednesday 21st March at 5:45pm