

WESLO HOUSING MANAGEMENT

BOARD OF DIRECTORS MEETING NUMBER 261

HELD ON WEDNESDAY 24 JUNE 2020

Please note that these minutes have been edited to remove any commercially sensitive or confidential discussions.

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**Minute of the meeting of Weslo Housing Management Board – No. 261
Held on Wednesday 24 June 2020 at 9.30am via MS Teams**

Present: Kate Dewar, Chair (KD)
George Finnie, Community Director (GF)
Donald Caskie, Community Director (DC)
Jim Green, Community Director (JG)
Brenda Higgins, Community Director (BH)
Eileen Porter, Co-opted Tenant Director (EP)
Alistair Booth, Community Director (AB)
Ken Tudhope, Finance Director (FD)

In attendance: Jim Preston, Interim Chief Executive (ICE)
Jim Rooney, Interim Finance Director (IFD)
Neil Donald, ICT Manager (ICTM)
Liz White, Housing Manager (HM)
Richard Green, Maintenance Manager, (MM)
Gillian Anderson, Governance Manager (GM) (minute)
Anna Evans, Indigo House, (AE)
Andrea Paterson, Indigo House, (AP) (Items 1- 6 & 8)
Kelly Adams, Audit Partner, RSM, (KA) (Items 7,8 & 9 only)
Stephen Pringle, Auditor, Wylie & Bissett (SP) (Item 9 only)

1. Item Action

Welcome and Apologies

The Chair welcomed and introduced everyone to the meeting. She noted that it was Ken Tudhope's last meeting as a Board member and that Jim Rooney was attending as the new Interim Finance Director. The Chair also welcomed Anna Evans and Andrea Paterson from Indigo House. Apologies were received from Lynsey Breen.

2. Declarations of Interest

- KD declared that she is a Board member of PACT, a subsidiary organisation of Fife Housing Association.
- BH declared that she is the Chair of the Board of Weslo Initiatives, the subsidiary company of Weslo Housing Management.
- The FD declared he is a Board member of Weslo Initiatives, the subsidiary company of Weslo Housing Management and a Director of Atrium Initiatives, the subsidiary company of Atrium Homes. In addition, the FD declared an interest in all items on the agenda as he is an employee of the business.

3. Minute of the Board meeting held 12 May 2020

The minute of the meeting held 12 May 2020 was agreed as an accurate record. It was proposed by GF, seconded by BH and will be signed by the Chair.

4. Minute of the Board Meeting held 27 May 2020

The minute of the meeting held 27 May 2020 was agreed as an accurate record. It was proposed by JG, seconded by DC and will be signed by the Chair.

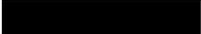
5. Minute of meeting held on 4 June 2020 (confidential)

Subject to one minor amendment, the minute of the meeting held 4 June 2020 was agreed as an accurate record. It was proposed by JG, seconded by GF and will be signed by the Chair.

6. Matters Arising

Board reviewed progress against actions from the recent meetings.

GF asked about the outcome meeting with Nationwide on 17 June. The Interim CE confirmed that they met Nationwide on 17 June and with RBS on 19 June and informed them of the decision to Transfer Engagements and both were very relaxed about the situation. They asked to be kept up to date, specifically when we agree who the partner will be.

The Interim CE updated the Board on the development sites. 



7. Transfer of Engagements

The Chair invited Anna Evans from Indigo House to give an update. AE stated that a Project Board has been set up and the first meeting has been held. Agreement was reached on six prospective partners to approach. An internal staff working group has been established and are meeting weekly. This is a fluid group and staff will be involved when required. The prospectus and appendices have been sent to the list of prospective partners and they have until 12noon on 24 June to seek any additional information Submissions should reach us by 10 July 2020. The Project Board will make a final recommendation to the Board on 29 July 2020.

AE stated that communication is vital for this project. AE has presented an overview to the senior managers; a full staff meeting was held and staff sent a consolidated version of the options appraisal; the Interim CE has informed local authorities and lenders; letters were issued to all tenants, owners, factors and a generic email has been set up for people to respond to. In addition, a shortened version of the letter was added to the website.

A brief for an independent tenant advisor has been issued and it is important to appoint as soon as possible to use their skills and experience to work collaboratively with tenants on this process. AE and the Interim CE have met with the Regulator to update them on the work to date.

AE asked if EP has had feedback from tenants. She stated that the feedback from tenants that she has spoken to have been very positive.

8. Annual Accounts 2019/20

The Chair invited Kelly Adams (KA) from RSM UK to present the Audit Findings on the 2019/20 annual accounts. Before commencing her presentation, the Chair stated that the Annual Accounts will be signed off at the AGM meeting in August and not at today's meeting.

KA stated that the layout has been refined but assured the Board that the headings and content is the same as previous years. The substantial audit work is near complete, a few matters to sign off and post balance sheet events.

KA highlighted areas of risk during the audit: Finalise the area of going concern in relation to the transfer of engagement, KA noted that because they have amended the going concern basis of preparation, she needed to get an internal technical review of the disclosure that they have added to the accounts, this work was done and signed off on Monday.

An additional matter which was considered during the audit was Covid 19 pandemic which is now included in the audit plan.

KA confirmed that the final materiality is as expected at the planning stage and it is based on net assets for the year, all the minor misstatements they found have all been adjusted and there no unadjusted errors which impact on the net assets of either entity. All the disclosure points have been updated in the accounts by management.

KA stated that she has taken the risks identified at the planning stage and took each one in turn:

1. Management Override Internal Controls

Making sure that we have documentation of the systems and controls that underly the preparation of the accounts. KA noted that there were no changes to these systems therefore it was a matter of updating the report from the previous year. KA stated that they test the systems (walkthrough) start to finish to confirm that they are operating as expected. There have been a few walkthroughs that have not been undertaken due to doing the audit remotely. KA confirmed that the systems are working effectively.

2. Journals

KA stated that they have reviewed a sample of the journals and focused on those which have the potential for fraud. They were able to source all the information therefore they were satisfied with this area.

3. Estimates and Judgements

There have been no changes in the accounts, and they are disclosed in the accounting policies. The key areas relate to the pension which has detailed assumptions to support it and the bad debt which is a judgement and the lives of components which is a judgement. There was one further judgement added which was the gain or loss on sale of disposal of properties and this is a result of a change in financial statement 102 and the statement of recommended practice this year. The guidance in the SORP is now that it should be considered operating income. No unusual transactions were found.

KA referred to the Internal Audit programme and noted that they have reviewed the internal audit reports for the year, KA stated that there were a

few outstanding reports to be seen but that they were satisfied that the internal audits carried out had no direct impact on the financial statements.

Turning to the Going Concern section of the Accounts, KA stated that as a Board, Directors need to be satisfied that Weslo is a going concern for at least 12 months after the accounts are signed.

KA has reviewed all the accounts prepared by Weslo and significantly stress tested them as well as adding in scenarios for the potential impact of Covid 19 going forward. KA has looked at the updated forecasts that management have prepared and RSM were happy that based on those, Weslo is a going concern on a financial basis for at least 12 months after signing the accounts. KA emphasised that the key is that there is enough cash and funding available to continue operating for the foreseeable future.

The second element to consider is the recent decision made to transfer engagements. KA stated that because Weslo, at some point in the future, is an entity which will no longer exist due to the transfer of engagements, technically that means that Weslo is not a going concern. KA was clear that this is not due to the financial status. There has been additional disclosure added to the accounts both in the Directors Report and the accounting policies and in the Auditors Report by way of an Emphasis of Matter on going concern that highlights the disclosure in the Board report that as Weslo will no longer exist as an entity, the accounts are prepared on (and have to be prepared on) a non-going concern basis.

BH stated that the transfer of engagements is to protect the organisation, she does not understand why it would not be a going concern as we do have finance and funding to continue.

GF stated that whilst we have decided to transfer engagements, we do not know if Weslo will or will not exist in 12 months as it is not guaranteed therefore, we cannot say that it impacts on that view. KA stated that it is probable at this point in time. GF stated that it is also possible that in 12 months Weslo may continue to be functioning.

KA stated that as it is an unknown that is why it is an emphasis of matter. RSM are not saying that Weslo is not a going concern, they are stating that the accounts are prepared on a non-going concern basis. The value of the assets and liabilities are not different, it is a non-going concern basis as the decision has been made to transfer engagements and there is a likelihood of it happening in the near future. The notes state that our assets and liabilities would be fully released as part of another entity. The audit also states that the decision to pursue a ToE does not affect the audit opinion.

The Chair asked if the non-going concern position could negatively affect our proposed transfer of engagements and the partnership with our funders and if this terminology is widely understood. The Chair stated that the Board need to fully understand the consequences of the statement before final signing off the accounts.

The FD stated that the accounts are not qualified and if they were it would be an issue for the funders. As mentioned before, both loan agreements include a material adverse variance clause which was left open for the funders to decide. This should not be an issue to the funders.

AP have reviewed the accounts of previous RSLs who have transferred engagements and highlighted that Wishaw Housing Association signed their

accounts in August and transferred in December and there was no modification to their financial statements. AP confirmed that there are no liquidity issues in the next 12 months or longer therefore it feels pre-emptive to specify the non-going concern basis - a disclosure feels sufficient.

KA stated that the driver for her conclusion is that Weslo has decided to transfer engagements and not consider any other options.

The Chair stated that we are at the early stages of the project and the aim is to have the transfer complete by 31 March 2021. She commented that it has been beneficial for this discussion to happen now and in advance of signing the accounts in August as further discussions/enquires can take place to ascertain further information. KA stated that we are able to change the wording in the Directors report.

The Chair stated that by the end of July, we will have a definite view of things. AE asked if the project completion date is later than expected and runs further than the 31 March 2021 will the going concern will still be affected. KA confirmed that it would be if the anticipated date for completion was within 12 months after signing accounts.

In relation to Weslo Initiatives, KA stated that she is seeking a letter of support as it is so uncertain what the income stream will be given Covid and the Transfer of Engagements.

KA stated that they are more than happy with the financial position of both entities. They are also content about the way in which accruals are treated. RSM did test pre and post year end and there was no cut off errors.

In relation to the components, it was agreed for next year's audit there will need to be a consideration of the useful lives in line with the final asset strategy.

KA noted that they are unable to comment on the CGPM reports, but they have reviewed the Indigo House report on the Options Appraisal, and they are satisfied that there is no impact on the audit work that RSM have undertaken.

The Chair stated that we have had two weak audits reports from Wylie and Bisset and asked if it was the judgement of the Directors if any of the content of the reports have a financial impact. KA confirmed that this is correct, that Directors sign an internal controls page and before they do so, they have to be confident that no weakness were found in internal financial controls which resulted in material losses, contingencies or uncertainties. It was not the case that the weaknesses identified would impact on the latter.

KA stated that the clearance meeting was held and discussed all matters that are disclosed in this report including the errors in the disclosures. KA stated that there is a link to the representation letter now rather than it being hard copy.

In terms of the audit fees, it will be different to the audit plan owing to the increased work of KA and the RSM technical team around the transfer of engagements, and this will be negotiated with management in August 2020.

KA stated that from an audit evidence perspective, she was given everything that she needed to undertake the audit and it worked very well remotely. It has taken a few days more to complete the audit than initially planned, but it was a very good audit.

The FD stated that both the Weslo and RSM finance teams worked extremely well together and it was a very good audit.

The Chair reiterated her thanks to KA and that it has been beneficial to have this presentation now to allow consideration for the items noted above. She confirmed that further enquiries will be made, and the accounts will be signed in August 2020 at the AGM and that we will pick up the conversation again with RSM after the end of July.

9. Internal Audit – Procurement

The Board welcomed Stephen Pringle from Wylie & Bisset to the meeting and invited him to present the two audit reports.

a. Procurement Audit

SP stated that this was originally due to take place in 2019 and was postponed twice. He confirmed that this has weak assurance and it was a detailed review of the procurement process in place. The scope of the audit was agreed at the start of the audit.

He noted that there are 10 recommendations; 4 high, 2 medium and 2 low with only four areas of good practice identified. The recommendations included in the report have now been agreed with management and SP highlighted the key areas.

The Chair stated that this is a disappointing audit and noted that Board were not aware that the audit was originally postponed. She referred to the bathroom contract and stated that had the audit been done at that time, the Bathroom Contract may not have been signed in July 2019.

BH asked if the audit uncovered any information about competitive tendering, specifically about the Savills contract. The Chair stated that it has been explained to Board at the time that the appointment of Savills was through a pre-existing framework.

The Chair stated that she was unaware that Weslo did not have a Procurement Policy in place as it had been referred to at previous Board meetings. The FD stated that whilst the current document is called a strategy it could be interpreted as a policy.

The Chair recalled Board were informed that Weslo was chosen by the Scottish Government as one of its pilot RSLs to test the Public Contract Scotland portal. It was proffered to the Board that Weslo was cutting edge having been selected to pilot the portal.

The Chair referred to the sample testing of 10 contracts and noted that W&B were only provided with six and confirmed with SP that there is no contractual agreement with four of the contractors.

SP stated that as this was not performed as normal audit, there was additional time spend going between the auditor and Weslo. The audit was conducted over several months therefore the auditor had given Weslo enough time to find the information required.

JG stated that he was concerned that whilst the auditor had asked for information it was not forthcoming and he is unsure how the audit could be

signed off as not all the information is complete and therefore assumptions are being made. SP stated that they concluded that the information is not in Weslo to make it available. SP stated that either the staff could not find the information or that the information was just not there.

The Chair referred to the ICT Manager, Neil Donald, and asked that where we cannot find a lot of information, normally with organisations there are backups, and that being the case is it inherent in Weslo that information simply does not exist. ND stated that the infrastructure and the security has been managed very well therefore the conclusion about the missing documentation is that it's possible that it has not be recorded or it has been misplaced. ND stated that in seeking procurement information, he checked the Public Contract Scotland portal but Weslo only have had nine published tenders in the last eight years. He stated that there are several IT contracts which have run for several years and had the decision not to transfer engagements, these contracts would have been taken to market to test value for money.

JG stated that the Board should receive an annual procurement report which he believes would give the Board more assurance about the work undertaken during the year. The Interim CE stated that the Regulator is aware of the audit as they are part of the papers which are submitted to them and there has been an exchange of emails about the audit.

The Interim CE stated that the annual procurement report to Board will offer the Board the opportunity to ask more about procurement. Postponing the audit has made the situation worse and both the GDPR and Procurement audits should have been done earlier. The Interim CE stated that there is another conversation needed over the priority actions arising from these audits due to the transfer of engagements.

The Chair referred to the previous item and the discussion regarding the Directors requirement to sign off the internal controls and said that if an Executive Director was not presenting legislative reports to the Board, the Board is unable to be assured enough to sign off the accounts. It is these key legislative or regulatory reports which gives the Board assurance that we have formal procedures in place for correcting weaknesses in place. By August we need to have this in place, and the Chair stated it is unlikely that we will be able to do so as the management response to the actions is that the transfer of engagements is taking place.

The Interim CE agreed that we need to address these issues now and have a rethink about the management responses. He stated that we will review the actions and bring the Annual Procurement Report to the July Board, but the Strategy, Policy and Value for Money Strategy are all major pieces of work to achieve and to implement in an organisation which may have approx. nine months left. He asked if it was pragmatic or sensible to focus on the writing of and embedding these major pieces of work in the organisation. He stated there were clear protections that we can give. The Interim CE stated that there will be three major contracts for the remainder of the year that will go through a transparent procurement and the Board will be requested to approve them.

The Interim CE also referred to the internal audit action tracker attached to the monthly performance report. This is the first time we are able to see all outstanding actions from Internal audits. If this had been produced earlier for Board to review and monitor, it may have raised issues sooner.

BH stated that once we have identified our preferred partner, we could ask for their policies to adopt, even if that means adapting them in the meantime until we transfer. The Interim CE stated that is an area to explore.

The Chair stated that whilst policies and procedures are in place, they generally do not seem to have always been followed in Weslo. The Interim CE stated that we don't have full monitoring processes or controls in place to capture all areas of operation but have been improving and working towards this since January 2020. For the point of view of the audit response, we need to be clear that we will implement our own policies until such time as we know what is happening with the transfer.

The Interim CE stated that there are number of areas where we are putting in monitoring controls, such as; monthly management accounts, £20,000 limit spending information, audit tracker report, full ARC performance KPI reports monthly.

b. Bathroom Contract

Board noted that the bathroom contract investigation report from the FD outlined all the key failure points of the procurement process and recommended controls to put in place to monitor in future. The Chair stated that the CGPM Report refers to the bathroom contract and the Interim CE agreed to pull that information from the report to add to the FD bathroom contract investigation for completeness. The main outstanding question is why the Executive decided to contract for the number of bathrooms as no Stock Condition Survey evidence was available at that time.

ICE



DC asked if the 72 bathrooms were all now completed to time, quality and to budget. The Interim CE stated that they were a few weeks over on time, but the quality is per the standards set.

The Chair referred to the FD's report, specifically point nine where there is reference to the stock condition survey and 2013. The Chair stated that they were told by the previous Operations Director that the original stock condition survey was completed in 2011/12. The investigation report will be amended with this accurate date.

ICE

c. Annual Report

The Chair asked SP to present the Internal Audit Annual Report. SP drew Board's attention to the executive summary and stated that due to W&B having raised three 'weak' assurance reports in the previous year on GDPR, Procurement and Follow Up actions, they are unable to give an overall conclusion in relation to risk management, control and governance processes. W&B are also unable to provide an overall opinion in relation to value for money due to the conclusion reached in the Procurement review. They are also aware of the additional governance review undertaken in the year, which SP stated he had not had sight of at the time of writing this report. He stated that this is the first time that they have signed off an annual report where they are unable to give an overall conclusion in the areas of risk management, control and governance.

The Chair and Interim CE explained that whilst CGPM were commissioned to undertake a governance review and investigation report, CGPM had not produced final reports. The Options Appraisal Report by Indigo House in effect supersedes the CGPM reports as it is more comprehensive as it includes areas of governance and points out the high level of scrutiny of the Board. There is enough information in the Options Appraisal which would have assisted W&B with the information needed to give assurances about the control and governance processes.

The Chair asked SP whether it was possible that inferences were being drawn from the fact that the draft report from CGPM was not available for the annual assurance statement, the assumption being that the content of the report would be negative. The Chair advised that in fact CGPM had informed that the reports would not be issued by them in time for the assurance statements due to their timescales.

The Chair asked what meaning 'unable to give a conclusion' has. SP stated that normal practice would be to give an opinion based on the work undertaken in the year, but the conclusion is based on three weak Audit reports. The Chair stated that it is therefore a negative statement and it is partly based on not seeing CPGM reports about which in turn W&B had made assumptions and was not based on objective facts.

SP stated that the conclusion would have been the same had it only been based on the 5 reports, 3 of which are weak.

There being no further comments or questions, the Chair thanked SP for his reports.

10. Interim Chief Executive Report May 2020

The Interim CE referred to the

[REDACTED]

ICE

The Interim CE stated that it would not be considered a Notifiable Event as it is not a financial irregularity, we have signed Annual Accounts for every year. It is likely the money has been spent on component replacement and investment, but different accounting methods make it more difficult to account for the funds. He stated we will continue to investigate the record keeping for the three years from 2010/11, to 2012/13 which is the only period we have been unable to reconcile.

The Chair asked the ICT Manager about record keeping and information systems, specifically regarding finding historical information. The ICT Manager stated that the finance system was migrated to the QL system in 2014. He stated that during the transition, the team would have been relying on a paper system until QL was operational. The difficulty therefore is tracking back to the old paper copies or to the previous financial system which may be a major exercise to do so.

The Interim CE explained that the WI Board agreed at their meeting on 11 June that the WPM Office close and the staff relocate to the North Bridge Street office (when it reopens) resulting in significant savings from the office lease. As the lease for this property is held by WHM, the Board were asked to ratify the decision. The Board were unanimous that the office is to close.

The weekly Covid report now includes graphs and trends can be seen but the end of the month is the key figure for the arrears. It is proposed that rent

arrears will be reported monthly in future Board were unanimous that monthly reporting is more valuable, and trends are more apparent. JG confirmed that he was fully supportive and stated that we are comparing current figures to the February month end which was immediately prior to the effects of the Covid 19 outbreak.

JG asked about the GCPM report and the lack of final report and what our future option is now. The Interim CE said that the Options Appraisal overtakes his reports now as the decision has been made about Weslo's future. JG agreed that there would be little value in the reports at this stage.

[REDACTED]

[REDACTED]

[REDACTED]

ICE

11. Performance Report May 2020 & Audit Action Tracker

The HM highlighted the key points from the Performance Report:

- Arears are increasing as previous reported and the team have changed how they calculate arrears which is explained in a paper later in the Board meeting. The graphs attached show the arrears trajectory
- Seven properties were let during May
- Repairs and maintenance are achieving timescales in line with the current restrictions
- At the end of May there were 10 gas services past due date
- Medical adaptations continue to be undertaken
- 95% of properties meets SHQS
- Asbestos surveys in the common areas are on target

The HM referred to the table in the report which gives greater detail on the breakdown of the arrears and confirmed that the Board were satisfied with this report. The HM will continue to add the arrears table to each performance report.

The Interim CE stated that the key addition this time is the Internal Audit Tracker which details all of the actions from each of the audits along with their progress and this will be presented to the Board at each meeting. Board heard that outstanding actions from the follow up audit are now complete.

The Chair asked about the validation process for ARC and heard that Christine Duggan is currently working with the team to validate the figures. Her report along with the ARC return will be presented to the July meeting for final approval before submission.

The Board thanked the HM for the helpful report.

12. Management Accounts

The Chair asked the FD to introduce his last set of management accounts for Weslo. He noted that this is the second month this year and already patterns

are emerging that income is largely unaffected and expenditure is lower than expected at this stage in the year.

The FD highlighted the significant variances and [REDACTED] under budget at this stage and more vacancies coming up, albeit these are mitigated by consultancy costs.

The FD noted that he has added in additional columns and now reports on budget to date, actual to date, variance, annual budget and forecast out turn. The overall surplus year to date is reported as £425,000 against the year to date budget of £143,000, resulting in a much better position than originally envisaged.

The FD has increased the forecast out turn for the year to a surplus of £1.4million, which includes the deferral of the investment works (due to timing) and also savings that have been identified, assuming these patterns continue for the remainder of the year.

The Balance sheet shows cash in hand has increased since the year end position and the FD stated that the biggest change was the [REDACTED]. He stated that the key figure is the current net assets of £850,000. He stated that there is no financial going concern issue. He stated that the bank balance at the end of May 2020 was currently [REDACTED]

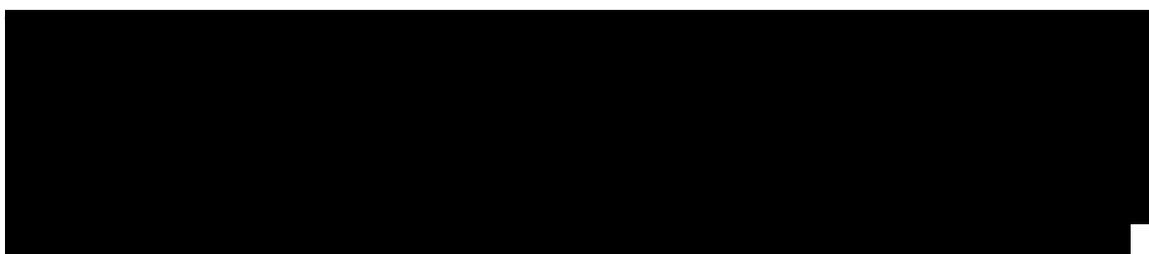
The FD then referred to the arrears position and noted that although arrears have gone up, the monthly report is now monitoring this. Our position compared to our peers is favourable.

BH referred to the net balance and total arrears of £636,582 appears to be high. The FD stated that this figure includes tenants, owners (£140,000) and recharges and the HM will have a plan to reduce this. The Interim CE stated that we have the visibility about this now. The HM stated that the team will work to recover the debt throughout the year.

The Chair stated that she does not understand why accounts are prepared on what we expect to get in (accounts receivable) compared to what we actually receive. The FD noted that what he has been doing is presenting the accounts so that they lend themselves to the yearend accounts so that Board is used to seeing the style and figures.

DC asked if the FD waits until the end of the 12 months before the bad debt provisioning is reflected in the accounts. The FD confirmed that was the former practice but going forward when the Board approves any bad debt write offs, this will be accounted for straight away and reflected in the accounts. We do have a standard formula for calculating bad debt provision which Weslo has used for years and the auditors are happy with as it has proved to be accurate. We will use that formula each quarter.

13. Furlough of Colleagues





14. Regulatory Assurance Action Plan

The GM stated that a review of the action plan was undertaken following the outcome from the Options Appraisal. The updated plan is presented for agreement. Board heard that the actions fell into several different categories such as governance, policy development, job evaluations and learning and development.

The Interim CE stated that we will require to speak to the Regulator about the revised action plan. He pointed out that there was a general feeling that now we know that we are going to transfer we need to revisit whether we need or indeed can complete all the outstanding actions.

ICE

The Interim CE stated that he had previously spoken to the Regulator about this paper as presented to the Board, but he has not yet responded back to Weslo.

The Chair stated that she thought that we had covered some of the actions, for example the Scheme of Delegation which was supplemented by the financial delegations and also the Whistleblowing and complaints policy was all reviewed and all aligned at the end of 2019. The GM agreed to review these policies and update the Action Plan.

GM

Board were content that some of these actions were no longer necessary due to the transfer of engagements and/or we will adopt the policy of the preferred partner in August and also subject to the approval of the Regulator.

The GM stated that the SFHA is working with the SHR to update the assurance framework and once this is received, work will commence toward the submission date of end of October 2020.

15. Chairs report

The Chair stated that all the items which are covered during the agenda is the work which she has been progressing during the month.

16. Energy Efficiency Standard for Social Housing

The Interim CE stated that this is a regulatory standard introduced in 2016 to give RSLs time to achieve compliance, in improving Energy efficiency in tenants homes to reduce tenant fuel bills and carbon omissions

He stated that there has been no focus on this area of work, but we are now investigating what work we will be able to achieve in 2020/21 and allowable exemptions under the ARC guidance.

The Chair recalled discussions of cladding, Swedish timber housing, boiler replacements and upgrades to gas central heating. She highlighted that from these discussions, Board had been informed Weslo was working toward meeting EESSH at that time.

The Interim CE stated that Board now know the correct compliance position and as the figure is in the performance report, Board will be able to challenge the position monthly. A risk exists that it has not been fully costed thorough the business plan and there will be instances where we will require significant investment in some properties to meet the standard. The Interim CE stated that there are exemptions if it is technically or financially not possible, to achieve the standards. Finally, the Interim CE stated that this area has a significant impact on the fuel costs for tenants.

With no further comments or questions, Board noted the progress on meeting the requirement of the Energy Efficiency Standard for Social Housing by 31 December 2020.

17. Corbiehall Update

The Interim CE noted that this was a notifiable event recorded in 2019, we have received three substantial complaints from owners and two FOI requests relating to matters at Corbiehall. We are likely to be going to the First Tier Tribunal in the next few months. The Interim CE stated that there are issues with dampness in the solum and there is one owner who has been unable to let his property for some time due to this. There is risk that there will be a finding that Weslo has also failed in our factoring duties. There are now resources and a budget of £300,000 available to get this work done. We are currently looking at either a framework for procurement or the fastest route possible, but the tender will be presented to the Board for approval in either September or October.



With no questions or comments, Board noted the update on the work surrounding Corbiehall.

18. Closure of Bo'ness Office - Further analysis of survey feedback and new service delivery methods

The HM stated that the paper was in response to the last meeting to assure Board that there will be additional service delivery methods in place with the closure of the Bo'ness office. Board confirmed they were content with the information supplied.

19. Future Reporting of Rent Arrears and other Tenant Debt

The HM stated that the paper presented outlines the way in which the arrears are calculated and what is included and excluded. BH asked what the income from leases is. The HM stated those are tenancies which are with West Lothian Council and they pay quarterly.

BH stated that it was helpful to see how the rent arrears and other tenant debt is calculated and reported. Board thanked the HM for the paper.

20. Any Other Business

a. IT Equipment

The Interim CE stated that new IT kit is being ordered to make it easier for Board to access papers, systems and files and may reduce the need for printing papers. Training will be provided.

b. Board Induction

Board noted that the Board Induction is underway with the two new Community Directors.

c. Finance Director

The Chair noted that this is the last working day for Ken Tudhope and thanked him for his work with Weslo and wished him well in his new role.

21. Date, time and place of next meeting

Wednesday 29 July 2020 at 9.30am in 66 North Bridge Street or via Teams.