

**MINUTE OF GWHA MANAGEMENT COMMITTEE MEETING HELD ON TUESDAY 28 MAY 2024
AT 6:00 PM, HYBRID MEETING VIA VIDEO CONFERENCE**

PRESENT:

Nicola Adams
Rowan Evenstar
Issie Gracie (Chairperson)
Nina MacNeill
Amy Robertson
Billy Robertson
Yushin Toda
Ekpe Ukpe
Debbie van Pomeran Reilly

ATTENDING:

Elaine Travers, Chief Executive
Paul MacNeill (HRC consultants)

APOLOGIES:

J Makar
Anila Ali

LEAVE OF ABSENCE:

None

OBSERVERS:

None

WELCOME

1.0 The Chairperson noted apologies, introduced and welcomed MCMs and Paul MacNeill to the meeting which had been called at short notice to enable consideration of a regulatory submission within required timeframe. The order of business was confirmed and the general interests of Tenant Members, and GWEn service users, along with the specific interests of E Travers and A Ali as GWEn Board Members were noted. The Chairperson reminded Members of the Code of Conduct and meeting etiquette, specifically that questions are directed through the Chair; that discussions are professional and constructive; and that decisions are taken in the best interests of tenants and service users. Members were mindful of their responsibilities as Trustees, accordingly, the Secretary confirmed it was appropriate that Members did not withdraw from the meeting.

2.0 **Finance**

Financial Plan Medium Plan

Paul MacNeill made presentation to MCMs, setting the scene generally with reference to:

- SHR report: recognition of the ongoing difficult decisions for RSLs due to challenges around inflation and interest rates, ambitious energy efficiency targets and scaled back investment plans; and the importance of keeping Business Plans under review and managing risk, whilst still delivering for tenants.
- Covenant Compliance: GW in the fairly unusual (strong) position of earning more in interest from deposits than is paid out on loans; which means the RBS covenant compliance calculation is not appropriate. GWHA is not non-compliant with the covenant requirements.
- Net zero targets: limited funding provision and delivery challenges; with aspirations of Scottish Government funding to support compliance.

Paul moved to outline the assumptions within GW's plan, referencing the development projects, and noting rent policy projections (2025/26 CPI + 2% and CPI +1% thereafter) and the significant levels of capital investment (£37m) and cyclical and reactive (£26.2m) over the 5-year period. Referring to total comprehensive income, MC attention was drawn to the projected annual losses from 2024 to 2026, with recovery projected thereafter with spend reducing in cognisance of the prior levels of

property investment. Also, whilst cash at bank is reducing, GW remains in a very strong position in comparison to peers. In response to MCM queries it was noted:

- Assumptions (e.g. CPI) within 5-year plan are informed by industry available trends and predictions, with more detailed sensitivity analysis and scenario planning in longer term planning;
- Funding received from GHA as part of the second stage transfer is factored into funding plans; with GW remaining in a strong position financially in 2029: viability is not an issue based on current information.
- Investment and procurement plans should continue to be closely monitored in terms of available resources and budgets.
- The scale of investment and the RBS covenant structure implications will be outlined for context, in the submission to the SHR.

MCMs were satisfied that the medium-term plan appropriately reflected current circumstances and approved submission to the SHR within the target 31/05/24. Noting that the RBS loan was less than the guideline £2.5m, it was further agreed that the bank should continue to be pressed to waive the loan covenant.

3.0 Date of Next Meeting
Tuesday 11/06/24

CLOSE