

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON 28th May 2020
AT 11:00am via ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Darron Brown

Maureen Morris

Clair Monteith

Michelle Harrow

Jane Heppinstall

Chair

Vice Chair

Committee Member

Committee Member

Committee Member

In Attendance:

Martin Wilkie-McFarlane

Gordon Kerr

Bill Black

John Stevenson

Scott Moncrieff

Linda Logan

Director

Finance & Corporate Services Manager

Assets & Maintenance Manager

Housing Officer (Item 6 & 7 only)

Auditor, Wylie Bisset (Item 3A & 3B only)

Minute secretary

Apologies:

Sarah Morris

Carol Torrie

Shona McKenna

Committee Member

Co-optee

Co-optee

The Chair welcomed Scott Moncrieff, Auditor, Wylie & Bisset who would present (items 3A & 3B) and John Stevenson, Housing Officer (Items 6 & 7).

2. Declarations of Interest.

Maureen Morris declared an interest at agenda item 10 highlighting that her daughter was an employee of L & D Services. Darron Brown declared that due to the nature of his work he may have contact with some of our approved contractors and would declare such should the need arise.

3A Internal Audit Reports

Scott Moncrieff thanked committee for the extension to the current contract with Wylie & Bisset, Internal Auditors for a further year.

Scott provided a brief overview as to the purpose and scope of the reviews.

Corporate Governance – Regulatory Standards audit:

He noted that the overall conclusion for the Corporate Governance – Regulatory Standards audit had provided a substantial level of assurance over the systems and processes in place for the completion of

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the Annual Assurance Statement. He highlighted that the self-assessment toolkit completed by the Association could not be located during the audit and as a result they had sought evidence of the Association's compliance. He confirmed that they had been assured that the work had been undertaken/reviewed through the committee reports and minutes of meetings and that there were no material non-compliance issues. He asked committee to note 4 medium and 1 low recommendation and 9 areas of good practice. He took committee through each of the recommendations.

Maureen Morris stated that she had been very surprised to read that the evidence bank template could not be located as it had been presented to committee and she was aware of the staff time spent gathering the evidence.

The Director expressed his annoyance to discover that the document had disappeared from the system. He highlighted that our IT provider, Hiper, had tried to locate the document, to no avail. He advised that the Governance & Corporate Services Officer was re-populating the evidence bank and it is hoped it will be completed within the next few weeks.

Jane Heppenstall offered to forward to the Corporate & Governance Officer her notes and observations on the structure of the evidence provided, during her own review of such.

The Finance Manager informed committee of our current system using daily back-up tapes which were secured off site each evening. He advised committee that back up to the cloud was currently being explored.

Scott took committee through further recommendations to appropriately review our Standing Orders and Delegated Scheme of Authority as per our review schedule and to ensure that all committee members complete a Code of Conduct and Declaration of Interest forms.

The Governance & Corporate Services Officer confirmed that the 2 committee members referred to in the audit report had completed a Code of Conduct and Declarations of Interest on appointment.

Action: The Governance & Corporate Services Officer will scan these documents to Wylie & Bisset when she is back in the office.

Data Retention:

Scott highlighted a weak level of assurance over the Association's Data Retention arrangements. The auditors had raised 1 high recommendation regarding the data being out-with their retention period and 1 recommendation where processes could be improved. 4 areas of good practice were highlighted where the Association is operating effectively. It was recommended that data maps are reviewed and updated annually and any data out-with the retention period is destroyed.

Maureen Morris sought clarification on the new timeframe for these works to be completed. The Finance Manager confirmed that this item would be added and reviewed by the management team on a quarterly basis. The Director also confirmed that staff have been instructed that all data cleaning must be completed during this period of lockdown.

Scott asked committee to note that during the review, the auditors found that the Association's registration number was not accurately stated on the Fair Processing Notice and on the website. They found the registration number listed with the Fair Processing Notice related to Dunbritton Housing Association.

The Finance Manager stated that he was unsure how Dunbritton's registration number was listed. The Director instructed that clarification be sought from the printers, as he suspects this may have been an error on their part during the design/print stage and he would expect them to pick up the costs of any print re-run costs.

Action: The Finance Manager will ensure the Fair Processing Notice and all other instances of registration are updated to reflect the correct number. He will also contact the printers to seek clarification on the registration number error at time of print.

Annual Follow-up report:

Scott emphasised a substantial level of assurance over the annual follow-up audit. He noted that the Association had endeavoured to implement recommendations as far as possible and are considering these in line with ongoing business and development. He highlighted the summary of recommendations these being 1 not yet implemented, 6 partially implemented, 3 superseded and 12 fully implemented recommendations.

3B Audit Plan 20/21

Scott took committee through the annual audit plan for 20/21. He stated that in their opinion WHA have adequate and effective risk management, control and governance processes in place. He asked committee to note audit areas for the year as outlined on pages 5 – 6 and the detailed assignment plan and the scope and objectives of the work.

The Chair sought clarification on the flexibility of the dates provided for the audits given the current Covid-19 situation. Scott confirmed that they would undertake the audits remotely.

Resolution:

Committee;

- **Noted the findings from the internal audit reports and agreed follow up actions;**
- **Approved the draft management responses;**
- **Noted the contents from the internal audit report 19/20 and progress staff have made in addressing the recommendations of internal audits carried out to date;**
- **Confirmed that they were satisfied with the action taken with superseded recommendation in the follow up review and that the points could now be removed from the action plan.**

- **Approved the 2020/21 Internal Audit Plan drawn up by Wylie & Bisset, Internal Auditors.**

Maureen Morris proposed and Jane Heppenstall seconded the above resolutions and approved the 20/21 Internal Audit Plan as drawn up by Wylie & Bisset.

Scott Moncrieff, Wylie & Bisset, left the meeting at this time.

4. Minutes of the committee meeting of 28 April 2020

The minute of the committee meeting held on 28 April 2020 were proposed as accurate Maureen Morris by and seconded by Jane Heppenstall.

5. Matters arising from the minutes of 27 February 2020.

There were no matters arising that were not covered in subsequent agenda items.

6. ARC Return:

John Stevenson, Housing Officer, joined the meeting. The Director thanked him his work in completion of the ARC Return.

The Director emphasised that all members had received a copy of the ARC for their consideration prior to the meeting.

John presented the Annual Return of the Charter. He drew committee attention to the ARC key comparators at appendix 1 which were grouped into service areas. He took committee through the verification, highlighting variances, areas of improvement and satisfaction levels from last year. He discussed areas where our systems could be improved in relation to the comparators for tenant participation, which he found surprising given our participation in the Next Steps programme. He highlighted on further investigation the last two quarters had had high tenant satisfaction levels and it had in fact been the first two quarters of the year which had reduced the overall satisfaction level. He noted Corporate Complaints had changed due to what we were now required to report on, however we had responded to all stage 1 & 2 complaints within the required timescales. Void rent losses were lower than last year and the percentage of tenancy offers refused during the year were higher. John provided an explanation as to the reasons for these refusals, noting that none of the refusals related to the property themselves. He highlighted no evictions during the year, there had been an SSST case during the year which had progressed well.

Jane Heppenstall sought clarification on the tracking and planning of this case. John explained that dates were diarised, around Notice periods required under the act. Prior to decision on reverting back to SST he had met with the tenant in February and reviewed their payment history. The SST was due to be signed up this month, however the current Covid-19 situation had prevented this from happening.

Michelle queried if necessary and given current circumstances could it tacitly relocate i.e. revert to SST by default. John clarified that given the tenant's history, he had wanted to formalise processes and decision to grant SST was done as part of a formal interview and review of the case with the tenant and agreement reached to reinforce responsibilities. The tenant is aware that the SST will be signed when normal operations re-commence. Director confirmed that Michelle's assessment that tact relocation would apply is correct.

The percentage of rent collection increased despite an increase in gross rent arrears. Abandonments had increased from 4 – 6 during the year.

Repairs performance remains positive with a marginal increase in the length of time taken to complete emergency repairs. SHQS had remained the same.

The Director shared the ARC return via the zoom meeting and asked committee to confirm digital receipt and their consideration of the ARC return prior to the meeting. Committee confirmed receipt and review of the ARC.

The Director confirmed that following approval he would submit the ARC Return to the SHR portal.

Resolution:

Committee delegated authority to the Director and approved the ARC Return for submission to the Scottish Housing Regulator.

Michelle Harrow proposed and Clare Monteith seconded submission of the ARC Return.

7. Allocations & Lettings Plan

John Stevenson highlighted that the purpose of the report was to set out targets for allocating properties which become available to applicants within the Common Housing Register, to request a review on a stand-alone allocation policy to allow Wellhouse HA to make best use of stock and maximise opportunities and review the lease and management arrangements with Glasgow City Council to allow for an increase in our acceptance of Section 5 referrals from 25% to 35%.

He asked committee to note the allocation targets and outcomes at appendix 1 and the proposed allocation targets for 20/21.

He highlighted that Wellhouse had joined other EHRA landlords who operate a current Common Housing Register Policy. Analysis indicates that over the last 2 years, the CHR approach has resulted in 8 lets to our own tenants. He emphasised that these were headline figures and further investigation would be required.

Michelle Harrow welcomed the initiative with Glasgow City Council to allow for an increase in acceptance of Section 5 referrals and the review of leases.

Resolution:

Committee;

- **Approved the Allocation Letting Plan for 20/21;**
- **Approved the review of the current CHR policy to ensure it reflects the needs of the local community;**
- **Noted the intention to explore the opportunity to rehouse homeless individuals and families by offering SSTs to those have successfully occupied temporary furnished flats, leased to GCC for a lengthy period of times.**

Jane Heppenstall proposed and Clare Monteith seconded the recommendations.

John Stevenson left the meeting at this time.

8. Rent Arrears update.

The Director presented in the absence of the Housing Manager. He stressed that rent arrears remains a real area of concern. Arrears have increased by a further £30,000. 55 new rent arrears cases have been recorded, 15 of the cases attributable to Universal Credit.

He considered 9% rent arrears to be on the higher side. He highlighted that some tenants' income stream has genuinely been affected by the Covid-19 situation. He plans to meet with the Housing Team and Income Advice Officer before the next committee meeting to discuss a detailed plan of action and a way forward to deal with the situation.

Jane Heppenstall sought clarification and of point 5.4 which states that 88 tenants in receipt of UC, for whom payments are made direct to the HA and are currently suspended. She asked the reason for the suspension and timescales of these. The Director believed it amounts to a lack of internal communication with Universal Credit and direct payments to landlords that have not actually happened. Further discussion will be required with the DWP.

Action: The Director will forward to committee further details on the Universal Credit suspension following discussion with the housing team

Committee noted the contents of the report.

9. Tenants Handbook

The proposed tenants' handbook had been previously sent to committee for their perusal and comments. Approval was given via email. The Director sought formal agreement to instruct print of the handbook. He thanked Fiona Cochran, Housing Officer, for completion of the handbook.

Resolution:

Committee approved commencing to print of the tenants' handbook.

10. Approved Contractors list

Committee noted and approved minor amendments to the approved contractors list 20/21.

Resolution:

The approved contractors list 20/21 was proposed by Maureen Morris and seconded by Michelle Harrow.

11. Management Accounts – March 2020

The Finance & Corporate Services Manager presented the report to provide committee members with a comparison of the estimated and actual financial position to 31 March 2020.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the period to 31 March 2020 was £535,563. The actual results for the period show a surplus of £962,911, a favourable variance for the period of £427,348.

The overall variance arises from:

Operational activities £422,699 – favourable variance
Net interest and other £4,479 – favourable variance

The Finance & Corporate Services Manager highlighted that rental income was slightly higher than budget. Void losses are lower than the budget figure £13,229 as opposed to £25,721, a favourable variance in net rental income of £15,854.

He asked committee to note the underspend in salaries £45,548 due to replacement Assets & Maintenance Manager and 1 Estate Warden not being in place for the full 12 months. Repairs and Maintenance shows an underspend of £355,800 against budget over all areas for the year. He provided a detailed explanation of some of the over and underspend in relation to reactive maintenance, cyclical maintenance and major repairs/planned renewals as highlighted within the report.

Cash has increased by almost £250,000 to £2,018,751.

He reported no covenant compliance issues and a gearing result of 19.83%.

He highlighted an overall good performance in 19/20 resulting in a healthy financial position.

Committee discussed how to progress on delayed works when staff are back in the office. The Assets & Maintenance Manager highlighted discussions with the SFHA and considered that due to the requirement to social distance, contractors will take longer to complete the works and prices may increase, which could result in a reduction of the kitchens etc. being fitted.

The Director confirmed that the Association was in a good financial position however considered that we need to revisit our 5-year financial plan to include the impact of Covid-19.

The Finance & Corporate Services Manager highlighted that the required provision for bad debt write offs will be determined on the level and type of arrears at year end and whether each type should be fully or partially provided for. He and the Director considered that we will need to put in a caveat to the Regulator and come back later in the year with an updated 5-year plan.

Resolution:

Committee approved the management accounts for the period to date.

The management accounts to March 2020 were proposed by Michelle Harrow and seconded by Jane Heppenstall.

12. Operational Update:

The various updates reports were noted for information.

Director:

Covid-19 Plans for phased return to work.

The Director provided committee with an overview measures being explored for a phased return to work and the associated costs with screens, social distancing signage and additional PPE for staff and customers as outlined within the report.

He highlighted that we intend to introduce a 50/50 office and home working rota to ensure social distancing and any staff with underlying health conditions, care responsibilities and those who rely on public transport will continue to work from home in the meantime.

The Management Team are currently completing and risk assessment for the phased return to work.

Housing and Customer Services Manager:

The Director informed committee of grant aid received from Glasgow City Council to purchase a previously owned property in Wellhouse. The property has been allocated to a homeless family and date of entry will be arranged as soon as possible. The property requires very little work.

Finance & Corporate Services Manager:

Main issues were noted for information

Assets & Maintenance Manager:

Main issues were noted for information.

13. AOCB

There was no other business. Meeting closed 12:45pm. Next meeting 25 June 2020.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings:

Signed (Chair)

Date:.....