

**23 January 2020**

Dear Member,

The next Management Committee will be held on **30 January 2020, at 6:00pm.**

	<b>Agenda Item</b>	<b>Lead</b>	<b>Time</b>	
1.	Welcome, <i>Sederunt</i> & Apologies.	Chair	1 min	Verbal
2.	Declarations of Interest.	Chair	1 min	Verbal
3.	Jargon Buster – for information.	Chair	1 min	Information
4.	Minutes of the Committee Meeting of 28 November 2019	Chair	3 min	Approval
5.	Matters Arising & Actions from the minutes report	Chair	2 min	Approval
6.	Universal Credit presentation (Verbal)	Income Advisor	15 min	Information
7.	Rent Arrears update report	Housing Manager	15 min	Information
8.	Rent Consultation update	Housing Manager	10min	Approval
9.	Expenditure trends	Finance Manager	10 min	Note
10.	Management Team Report	Management Team	10 min	Information & Approval
11.	Forward Planning: 27 February 2020 Housing Benefit schedule updates Management Team Report Arrears update	Chair	1 min	Information
12.	AOCB	Chair	2 min	

Meeting close: 8:15pm

Next Meeting: 27 February 2020, 6pm

Terminology	Definition
VFM Policy	Value for money policy - Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.
ARC	Annual Return on the Charter  Each year, social landlords send the Scottish Housing Regulator information to show how they have performed against the standards and outcomes of the Scottish Social Housing Charter.
HES	Home Energy Scotland A network of local advice centres covering all of Scotland. Advisors offer free, impartial advice on energy saving, keeping warm at home, renewable energy, greener travel, cutting water waste and more
SPSO	Scottish public Servant Ombudsman  The <b>Scottish Public Services Ombudsman (SPSO)</b> is the organisation that handles complaints about public services in Scotland. The <b>Ombudsman</b> service is independent of government and with a duty to act impartially
Technical Arrears	These are arrears arising as a result of delays in receiving housing benefit payments from Local Authorities. These payments are made by the Council four weeks in arrears, so they show as "technical arrears" because we know the money will come through at the end of the four-week cycle.
/ish	In Scots Law = termination and / or lease renewal date. Tactic relocation when we do not act to renew a lease it continues on the basis of the "old" one.

**WELLHOUSE HOUSING ASSOCIATION**  
**MINUTES OF THE COMMITTEE MEETING HELD ON 28 November 2019**  
**AT 6PM AT THE ASSOCIATION'S OFFICE, THE HUB, 49 WELLHOUSE CRESCENT G33 4LA**

**1. Welcome, Sederunt & Apologies.**

**Present:**

Darron Brown	Chair
Maureen Morris	Vice Chair
Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member
Vanda Cooper	Committee Member
Shona McKenna	Co-optee

**In Attendance:**

Martin Wilkie-McFarlane	Director
Gordon Kerr	Finance & Corporate Services Manager
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Assets & Maintenance Manager
Linda Logan	Minute taker
Gary Wood	Chair, Blairtummock HA. (Observer)

**Apologies:**

Clare Monteith	Treasurer
Sarah Morris	Committee Member
Tom Lucas	Committee Member

**2. Declarations of Interest.**

There were no declarations of interest.

**3. Jargon Buster.**

Noted for information.

**4. Minutes of the committee meeting of 24 October 2019.**

The minute of the committee meeting held on 24 October 2019 were proposed as accurate by Michelle Harrow and seconded by Jane Heppenstall.

**5. Matters arising from the minutes of 24 October 2019.**

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

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## **6. Development Funding.**

The Director presented the report to outline our Strategic Development Funding Plan (SDFP) submission to Glasgow City Council (GCC) and the recent update on our position.

He reminded committee that development had not featured in the operational plan during regulatory intervention due to the risks involved in development and committee's prudent approach to financial planning until there was certainty on funding.

He took committee through the 3 sites in Wellhouse which we hoped to develop and provided an update on progress and ownership of the sites and the historic flood risk and foul water removal issues within Wellhouse. The Director informed committee of recent correspondence with our Development Agent from Scottish Water who had indicated that they saw no impediment to attaching to the foul water system and was not deemed significant enough to merit mitigation. The Director had met with DRS and a flood water expert who had indicated that flooding was still very much an issue for Wellhouse. We await further updates on this issue from Scottish Water.

He highlighted that on the positive side, GCC had agreed to provide HAG funding to carry out further feasibility studies and ground work investigations on the site owned by Wellhouse and the Balado Road site. Feasibility studies will also be carried out on the site owned by the Archdiocese of Glasgow to determine ground quality and undermining. An article in the December newsletter has been prepared to inform tenants of progress.

The Director asked committee to note that GCC had emailed to request that our updated SDFP be resubmitted to them by 24<sup>th</sup> December 2019. He highlighted that there would no changes to the SDFP approved by committee earlier in the year.

### **Resolution:**

### **Committee;**

**Noted the update and Glasgow City Council priorities;  
Approved the re-submission of our SDFP by 24/12/19;  
Noted the HAG offer.**

**Michelle Harrow proposed and Shona McKenna seconded the re-submission of our SDFP to GCC by 24 December 2019.**

## **7. 2020/2021 Draft Budget.**

The Finance & Corporate Services Manager asked committee to consider the proposed rent increase for 2020/21 and other financial assumptions which will be used in the Draft Budget.

He took committee through a presentation which highlighted the current levels of inflation and other financial assumptions with a sensitivity analysis as outlined on page 18 & 19 of the report. A comparison of proposed rent increases within the EHRA group will be brought to the committee meeting in January 2019.

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He highlighted that our business plan is based on CPI + 1%. He reminded committee of their decision to apply a CPI only rental increase for April 2018 which had reduced income by £30,000 in 18/19 and each year thereafter over the life of the 30 year plan. The management team had committed to generate and had achieved savings in order to absorb this reduction in income. He asked committee to note that if committee approve another rent increase of CPI only to be applied from April 2020, then further savings of around £30,000 would be required for 20/21 and each subsequent year. He discussed the sensitivity analysis of several potential rent increase scenarios and provided a practical example of the difference between applying a rent freeze and applying CPI +1% increase, which would result in a difference in rental income of £80,000, equating to the removal of around 33 kitchen replacements from the business plan.

Using all of the above scenarios; a surplus of £480,861 will be made, however, cash will reduce by just over £200,000.

He sought committee approval to progress with tenant consultation on CPI + 1%.

The Director stated that tenant consultation will start in December with an article in the newsletter, a letter to all tenants and via the text messaging service. In addition TPAS consultation is on our website and the Finance & Corporate Services Manager has prepared a pie chart that provides evidence that our admin/management expenditure has decreased and that our investment in tenants' homes has increased.

#### **Resolution:**

**Committee approved the 2020/21 draft budget and noted the current levels of consumer price index, retail price index and consumer price index with housing costs and the assumptions used in the current business plan.**

**Instructed the Finance Manager to complete the SFHA affordability tool.**

**Instructed staff to bring a report on progress on this issue to ensure that a committee decision can be made at the January meeting to conclude the consultation.**

**Maureen Morris proposed and Michelle Harrow seconded the 20/21 draft budget.**

#### **8. Management Accounts to September 2019**

The Finance & Corporate Services Manager presented the report to provide committee members with a comparison of the estimated and actual financial position to 30<sup>th</sup> September 2019.

He led the committee through a presentation of the Statement of Comprehensive Income and outlined all variances. The budgeted surplus for the period to 30 September 2019 is £216,791. The actual results for the period show a surplus of £535,090 a favourable variance for the period of £318,299.

He highlighted that the favourable variance of £318,299 arises from;

- Operational Activities £317,346; (favourable variance)
- Net interest and other £953 (favourable variance)

Rental income is slightly higher than budget at £1,735. Void losses are also lower than the budget figure of £6,408 as opposed to £12,861. A favourable net rental income of £8,190.

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The Corporate & Finance Services Manager noted a few over and underspends against budget in the Statement of Comprehensive Income. Salaries had an underspend of £38,435 due to replacement of the Assets and Maintenance Manager and one Estate Warden not being in place for 6 months. He provided detail and a breakdown of the underspend in Repairs & Maintenance of £265,000.

The Housing Properties had increased by just over £112,000, in the main due to the cost of replacement kitchens, bathrooms and boilers, however this spend is much lower than the budgeted spend of over £542,000 in the second quarter. He highlighted that the cash position has increased by almost £95,000, sitting at around the £1.9M mark.

There were no covenant compliance issues.

#### **Resolution:**

**Committee approved the management accounts to 30 September 2019.**

**Jane Heppenstall proposed and Shona McKenna seconded the management accounts to 30 September 2019.**

### **9. Quarter 2 – KPI report July to September 2019**

The Management Team presented the report to bring to the attention of committee the performance in relation to key performance indicators (KPI's) for the period July to September 2019.

The Housing & Customer Services Manager stated that there had been an improvement on gross rent arrears at the end of Quarter 2. She highlighted in line with previous annual trends the figure will continue to rise until the fiscal year end due to increases in technical arrears. She stated that to date we have over 100 tenants in receipt of Universal Credit with accumulated arrears of £111,442.84, and continues to have an adverse impact on the collection of rent. She stated that she had hoped to bring a comprehensive report on the impact of Universal Credit to this meeting, however, the Income Advisor was having to complete this task manually which was very time consuming. The SDM consultant will visit on Monday to assist with configuration of the system to provide Universal Credit details. She provided an update on the volume of tenants making appointments and the negative impact on appointment times available. The Income Advisor will attend the January committee meeting to provide a detailed report on the impact of Universal Credit and case studies.

Michelle Harrow sought clarification that of £111,442.84 of accumulated arrears, how much of that sum would be recovered from Universal Credit. The Housing & Customer Services Manager did not foresee that these arrears would be recovered due to the timescales/delays in payment of Universal Credit. The Director stated that this has been included in our risk impact assessment and it is hoped that the SDM consultant will be able to quantify the impact and provide a clearer picture for us to mitigate the risk.

The Housing & Customer Services Manager stated that at the end of Quarter 2, 17 of the 23 voids received had been re-let. The average re-let time over the period was 15 days, our annual target is 12 days. She provided an explanation as to the condition of 5 of these properties where kitchens and bathroom had required to be replaced.

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The Assets & Maintenance Manager provided an overview of customer satisfaction rates and the reduced level of satisfaction for repairs or maintenance provided by the landlord. He had investigated this further and had written to the 9 tenants to seek feedback on their stated dissatisfaction. To date no contact or replies had been received from these tenants.

The Director provided an update on feedback received from our independent survey consultant and his perception on the results received. He highlighted that recent survey results indicated that the majority of tenants were very satisfied with services provided by the Association and our communication with them.

Committee considered that additional resources may be required to assist with the impact of Universal Credit. The Director updated committee on a meeting he had had with the Housing Manager and the Income Advisor to mitigate risk and acknowledged the number of tenants waiting to see the Income Advisor before office hours had increased significantly. A report will be brought to committee before the end of the financial year to consider if further resources are required.

**Committee noted the contents of the KPI's for Quarter 2.**

#### **10. Annual Treasury Management Report.**

The Corporate & Finance Manager presented the report to advise on Treasury Management Operations and the results over the last 12 months, which included areas relating to loans, investments, covenant compliance, proposed borrowings and the Treasury Management Strategy.

He asked committee to consider the financial information detailed in the report and approve the proposed strategy as set out on pages 55 & 56 within the reports. Questions or points of clarity were invited.

##### **Resolution:**

**Committee considered the financial information detailed and approved the proposed Treasury Management Strategy as set out within the report.**

**Michelle Harrow proposed and Jane Heppenstall seconded the Treasury Management Strategy**

#### **11. Management Team Report**

##### **Director:**

##### **EHRA General Hustings:**

The Director reminded committee that the EHRA General Election Hustings will be held at Blairtummock Hall on 4 December at 7pm. The Director of SHARE will Chair the meeting.

##### **Christmas Panto:**

Tickets purchased for the Christmas Panto had been well received by the community.

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**Finance Manager:**

The Finance Manager has arranged for Wylie & Bisset to provide fraud training for committee members and staff. Maureen Morris, Shona McKenna, Darron Brown and Jane Heppenstall expressed an interest in attending the training session.

**Action: The Finance Manager will email proposed dates for training to interested members.**

**December Salary Pay Date.**

The Finance Manager sought approval to bring forward the December pay date to 20<sup>th</sup> December 2019 to allow salaries to be sent to the bank before the Christmas break.

**Resolution:**

**Committee approved the pay date being brought forward to 20<sup>th</sup> December 2019.**

**Maureen Morris proposed and Jane Heppenstall seconded the proposal.**

**12. AOCB****Christmas lunch and Christmas Closure.**

The Director sought approval for office closure for the 2 days during the Christmas break. He also sought approval to close the office on the afternoon of 13<sup>th</sup> December to accommodate the Christmas lunch. Staff will use annual leave or flexi/toil to cover the time off. He reminded committee of their invitation to attend the lunch and provided details of the venue.

**Committee approved the office closure for the 2 days during the Christmas break and for the afternoon of 13<sup>th</sup> December 2019.**

**Newhills Secondary School donation:**

The Director sought committee approval to donate, in line with our donations policy, £100.00 to the Newhills Secondary School Christmas party.

**Committee approved a donation of £100.00 to Newhills Secondary School in line with our Donations Policy.**

**Gary Wood left the meeting at this time.**

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**Meeting closed 8:30pm. Next Meeting: 30 January 2020, 6pm.**

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

Signed (Chair) .....

Date:.....

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**Integrity**

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**ACTIONS ARISING FROM PREVIOUS MANAGEMENT COMMITTEE MEETINGS January 2020**

MINUTE REFERENCE	ACTION	OWNER	DUE BY	STATUS OPEN/ CLOSED	PROGRESS
<b>24 October 2019</b>					
11. Management Team Report	Site at the former Wellhouse Primary School; The Director will report on the feasibility of progressing a development and a bid for this site.	Martin Wilkie-McFarlane	March 2020	<b>Open</b>	An update was provided at the 28 November 2019 meeting. Archdiocese site to be valued in Feb 2020
3. TPAS	Committee to provide a date for TPAS to consult with committee and to develop an action Plan for consultation with service users	Carol Hamilton		<b>Open</b>	Ongoing. T Kelly attended Committee meeting.
13. Rent Arrears	Universal credit will be included on the November committee meeting agenda	Carol Hamilton	November 2019	<b>Open</b>	A full report will be presented at the 30 January 2020 meeting.
<b>November 2019</b>					
11. Management Team Report	The Finance Manager will email proposed dates for fraud training to interested members	Gordon Kerr	January 2020	<b>Open</b>	The Finance Manager will provide an update at the 30 January 2020 meeting under the Management Team Report.

<b>Management Committee</b>	30 January 2020
<b>Agenda Item</b>	7
<b>Title of Paper</b>	Rent Arrears Update
<b>Author</b>	Carol Hamilton, Housing & Customer Service Manager
<b>Appendices:</b>	None

## FOR INFORMATION AND DECISION

### 1 PURPOSE

- 1.1 To update Committee on the arrears position.

### 2 RECOMMENDATIONS

- 2.1 That the content be noted for information.

### 3. BACKGROUND

- 3.1 Committee have requested monthly arrears reports.  
3.2 This report forms an update to the December position.

#### 3.3 Business Plan and values

The production of an arrears report is consistent with:

- strategic objective 5: to maintain good governance and financial management and;
- our values of excellence and accountability.

### 4. MAIN ISSUES

#### 4.1 Current Arrears increase.

Since the last report to Committee in October 2019, gross arrears have increased by £39,193.95 and non-technical arrears have increased by £25,910.02. Arrears attributable to Universal Credit have reduced by £2,249.81 during the same period.

#### 4.2 Arrears cases over £1,000.

The number of cases has increased by 10 to 88 since October and this includes 36 Universal Credit recipients. The total gross amount owed by these cases has increased by £24,095.10 during the same period.

- 4.3 During the month of December 63 households did not pay anything to their rent account at all. While non-payment of rent over the festive period is not unusual in previous years, it is

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becoming apparent that rent is not a priority debt for many tenants, some of whom have been in rent debt for many years. The Housing Manager will discuss a different approach with Committee.

#### 4.4 Negative variance.

The KPI figure for gross arrears for 2019/20 is 5% and the current negative variance is 3.09%

#### 4.5 Headline figures: as at period 9

- Gross arrears are £260,526.93 – 8.09% of rental income.
- Net arrears are £245,819.14 – 7.64% of rental income.
- Our rent collection rate is currently 100.09 % (Cumulative 9 months to December 2019)
- 88 tenants owing £1,000+ now owe £167,783.33 collectively - this is 64.4% of all arrears and 5.21% of annual rental income
- Former tenant's arrears have increased by £5,210.99

### 5. CHARTS:

#### Current Tenant Arrears Report

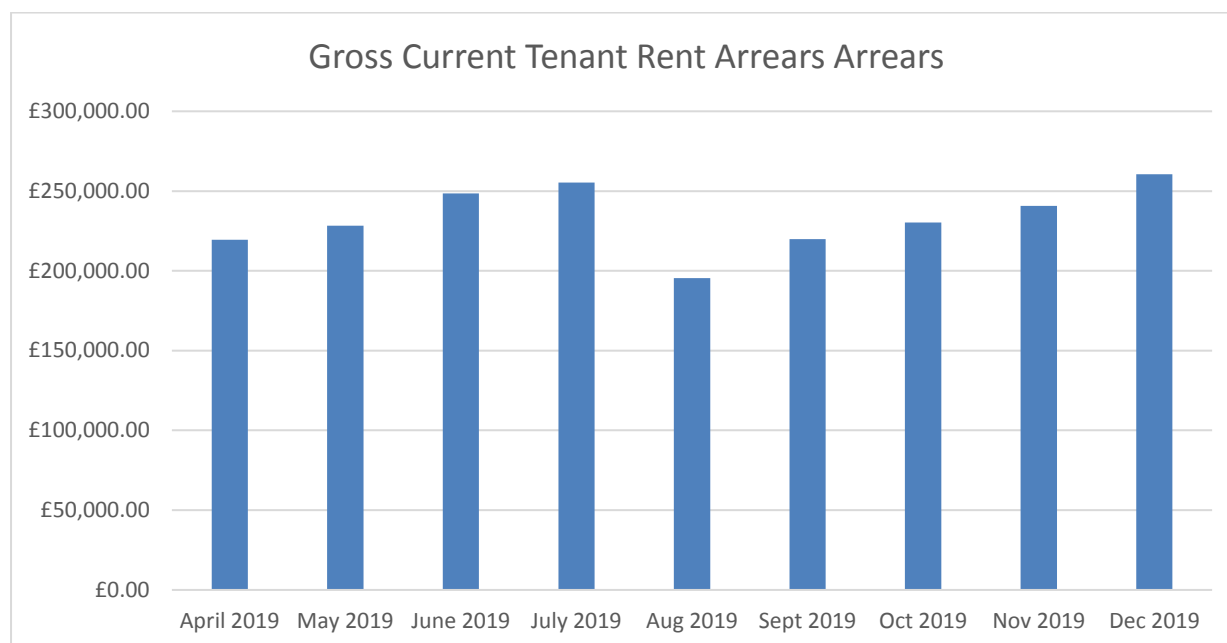
Patch	No. Tenants	EOP Arrears Only	Tech Arrear Used	EOP Balance minus Tech Arrear used	No. Tenants after Tech Used
1.	158	£96,893.12	£4,654.04	£92,239.08	102
2.	135	£71,475.67	£4,960.97	£66,514.70	102
3.	132	£92,158.14	£5,092.78	£87,065.36	102
<b>Grand Total</b>	<b>425</b>	<b>£260,526.93</b>	<b>£14,707.79</b>	<b>£245,819.14</b>	<b>306</b>

#### Current Tenant Arrears banding all patches

Patch	No. Tenants	EOP Arrears Only	Tech Arrear Used	EOP Balance minus Tech Arrear used	No. Tenants after Tech Used
No Arrears	119	£6,534.26	£6,534.26	£0.00	0
0-99.99	43	£3,361.05	£1,656.42	£1,704.63	43
100-499.99	109	£34,009.45	£2,566.27	£31,443.18	109
500-999.99	66	£48,838.84	£1,493.19	£47,345.65	66
1000-1999.99	57	£82,987.68	£2,247.46	£80,740.22	57
2000+	31	£84,795.65	£210.20	£84,585.45	31
<b>Grand Total</b>	<b>425</b>	<b>£260,526.93</b>	<b>£14,707.79</b>	<b>£245,819.14</b>	<b>306</b>

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The following table indicates the rise in gross rent arrears since April 2019



## Former Tenant Arrears

Patch	No. Tenants	EOP Arrears Only
1.	26	£17,583.00
2.	22	£12,963.78
3.	11	£6,997.11
demolished	2	£136.07
<b>Grand Total</b>	<b>61</b>	<b>£37,679.96</b>

## 6. ACTIONS

### 6.1 Factors affecting balance:

The total number of those with rent arrears has risen by 109 since the last report. This can be attributed in part to the closure of the office over the festive period when tenants were unable to make their usual end of the month payments or used rent money for extra festive expenses, as well new recipients of UC.

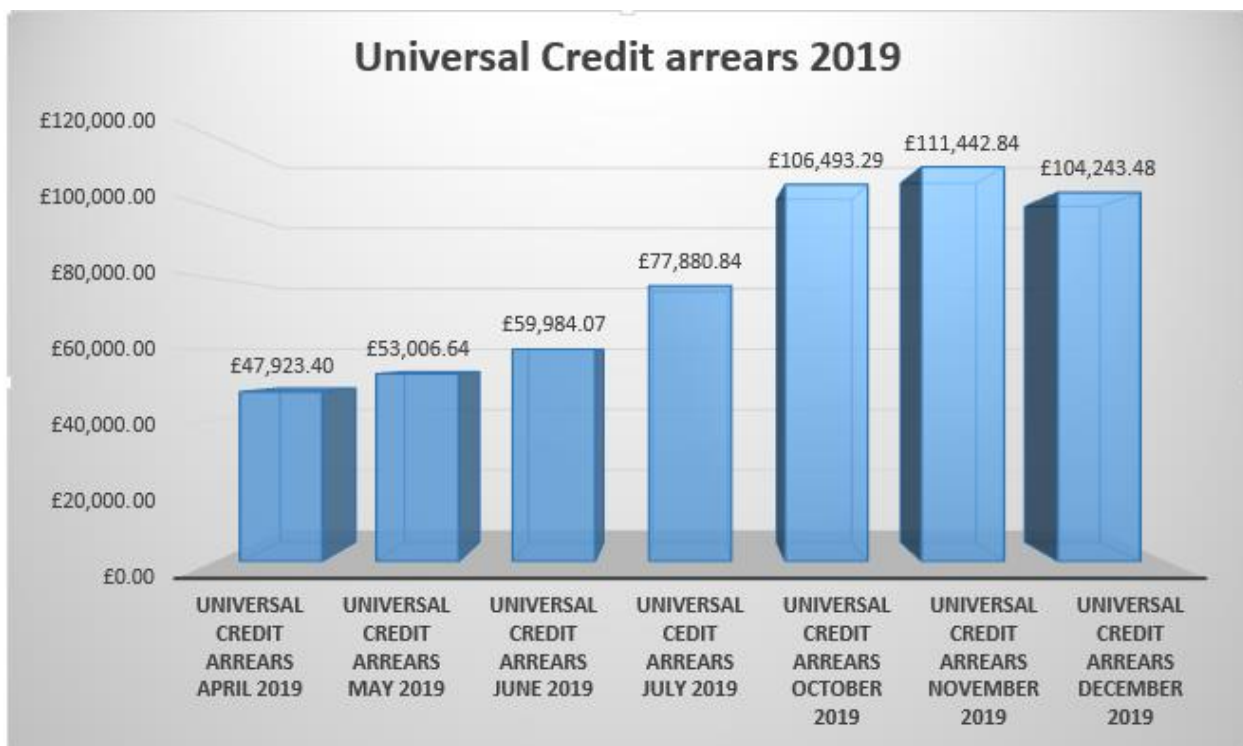
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As a result of the increasing Former Tenant arrears the Housing Manager has arranged for TC Young, Solicitors, to trace and collect former tenants for arrears payments. In the latter part of 2019 there were 5 abandoned tenancies with arrears ranging from £500 - £3,603.

Officers are continuing to focus on reducing the average length of time tenants have arrears which will result in faster escalation of the process and an increase in legal action. The Housing Manager is continuing to invite all those owing more than £1000 for interview.

## 6.2 Universal Credit Reporting.

Universal Credit has significantly increased rent arrears since full service roll out in December 2018. The following graph indicates arrear attributable to UC from April 2019:



### Overall impact on arrears

- Wellhouse Housing Association experienced a 117.5% increase in Universal Credit arrears between April 2019 & December 2019. (This can be attributed to an increase in claims to Universal Credit, due to natural migration.)
- To date we have 106 tenants in receipt of Universal Credit.
- 24 of the 106 Universal Credit cases have rent arrears of over £1000 but under £2000.

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- 31 of 106 Universal Credit cases have arrears over £500 but under £1000.
- 30 of 106 Universal Credit cases have arrears between £100 & £500.
- 9 UC tenants are in rent credit.
- 12 Tenants have arrears over £2000 each totalling £43,698.08 Universal Credit arrears.
- Universal Credit Arrears total £104,243.48 to December 2019.

The following SWOT analysis contributes to the ongoing plans to maximise rental income.

Strengths	Weaknesses
We have 3 experienced housing officers as well as a dedicated Income Advisor	We have no control over the numbers of tenants who migrate to UC
As a result of recent analysis of all arrears cases over £1000 we have been able to identify historical practices which have contributed to the length of time customers have been allowed to remain in arrears	Rent arrears recovery action competes with other housing management functions which often take priority
The Repairs and Maintenance policy makes it clear that planned maintenance will not be carried out when debt is owed to the Association which is contributing to a change in attitude and an increased willingness to pay.	There is less engagement than preferred from tenants due to a historical culture of not prioritising rent payments
Opportunities	Threats
The rent management policy has been approved and clearly states our intention to support customers who are struggling to pay their rent. The policy makes it clear that planned maintenance will not be carried out when debt is owed.	Reputational damage due to an increase in legal action
	Adverse impact on the Business Plan
We are able to recover debt by using an external debt recovery agent.	Continued loss of income and subsequent investment
We have an opportunity to change the culture to a 'rent first' approach with	As a result of enquires from external agencies, it is likely that there will be an

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ongoing tenant consultation on spend and investment for 2020/21.

increase in applications for sequestration and trust deeds resulting in more irrecoverable arrears

## **7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

- 7.1 ARC report will include our performance.
- 7.2 Any rise in court cases will lead to a rise in legal fees.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Dealt with in the body of the report.

## **9. KEY RISKS**

- 9.1 Failure to robustly manage arrears is a failure to deliver on core KPI and reduces income to the association. Mitigation – persistent and consistent application of policy and staff performance management.
- 9.2 Any rise in evictions will lead to reputational damage. Mitigation – use only as a last resort. Any eviction to be agreed by Director and approved by Committee.

## **10. EQUALITY AND DIVERSITY**

The rent management policy has been written with our commitment to diversity included.



<b>Management Committee</b>	30 January 2020
<b>Agenda Item</b>	8
<b>Title of Paper</b>	Rent Consultation
<b>Author</b>	Carol Hamilton, Housing & Customer Services Manager
<b>Attachment(s)</b>	Appendix 1. Rent Consultation Responses Appendix 2. Landlord Rent Comparisons

## FOR INFORMATION AND DECISION

### 1. PURPOSE

- 1.1 To highlight the rent consultation process that ended on Monday 13th January 2020 and provide the feedback to Committee.
- 1.2 To advise Committee of consultation methods undertaken by Wellhouse HA to involve residents and encourage feedback on rent increase proposals.

### 2. RECOMMENDATIONS

- 2.1 Committee is asked to discuss and note the content of the report and a review of the responses received from tenants.
- 2.2 Committee are asked to approve the recommendation of progressing with CPI October (1.5%) plus 1% rent increase from 1<sup>st</sup> April 2020, i.e. an increase of 2.5%

### 3. BUSINESS PLAN, VISION & VALUES

- 3.1 Rent consultation and income is integral to the RSL's being able to complete repair, maintenance, development and day to day needs of the business, ensuring that we deliver effective and efficient services and is consistent with all strategic objectives, our vision values and business planning.

### 4. BACKGROUND

- 4.1 Rent consultation on increase of CPI (1.5%) plus 1% with current tenants was agreed at previous Committee meeting on 28<sup>th</sup> November 2019.

### 5. MAIN ISSUES

- 5.1 An article dedicated to the proposed rent increase was incorporated into the winter newsletter and delivered to all residents along with a separate survey form that could be completed and returned.

Tenants were offered an opportunity to visit or telephone the office to discuss and complete the survey.

Tenants also had the option of contacting via email to advise of their responses. No tenants made contact by email.

Home visits were offered to discuss the proposals and take feedback. No tenants requested a home visit.

- 5.2 Rent Consultation drop-in sessions were held between 10-12 noon, 2-4pm and 5-6pm on Thursday 9<sup>th</sup> January where Housing Officers were available to meet and discuss the proposals with tenants. One tenant attended the evening session, although she had already provided feedback earlier in the month, and no tenants attended either of the day time sessions.

## **6 DISCUSSION & RENT INCREASE RESPONSES**

- 6.1 Wellhouse HA received 104 responses through text messages, phone calls, office visits, drop in sessions and survey forms which constitutes 13% of tenants and their responses are summarised below – see appendix 1 for more detail and comments from tenants.
- 6.2 Of the 104 tenants who responded, 79 (10.0% of total number of properties contacted) do not feel their rent represents value for money and 87 (11.0% of total number of properties contacted) do not support the rent increase of 2.5%. There were 12 tenants who supported an increase of 2.5% (5 tenants did not respond to this question).
- 6.3 Wellhouse HA is committed to Value for Money savings in future years across all aspects of our business which will be measurable and feed into our business planning process.

## **7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

- 7.1 Regulatory: There is a regulatory requirement for Wellhouse to consult with tenants prior to applying any rental increase.
- 7.2 It is also considered good practice for Wellhouse to regularly carry out financial viability exercises.
- 7.3 This also complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being and economic effectiveness.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Rent levels determine Wellhouse HA's ability to meet the needs and requirements of the business plan. Any changes to rent charges will require changes to the business plan.

## 9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Risks	Level
Increasing rent levels place residents into poverty and reduce affordability of housing stock.	Reputational through higher rent levels than local RSL's	None	
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>	
Consultation process allows residents to feedback on proposals and committee to consider benchmarking.	Rent standardisation is now complete bring has ensured fairer rent charges to all tenants.	n/a	

## 10. EQUALITY & DIVERSITY ISSUES

- 10.1 There are no identified impacts on any of the main minority groups or diversity implications even an unintended one.

## 11. SUSTAINABILITY

- 11.1 There is an impact on day-to day business and future programme requirements depending on the outcome of the rent consultation.

## 12. SWOT ANALYSIS

Strengths	Weaknesses
We have consulted with residents and advised of impact of rent levels on future works.	No rent increase will impact on income, Business Plan and planned investment.
We consulted tenants in 2019 on how they wanted their rent money spent.	
Our rent charged compare favourably with the national and local average	
Opportunities	Threats
There is an opportunity to discuss the impact of a 2.5% rent increase on our residents and affordability.	Potential local reputational damage if higher increase than EHRA members.
	Possible loss of confidence with residents if 2.5% increase applied.

### **13. CONCLUSION**

- 13.1 Committee is asked to note the content of this report and raise any questions with the Management Team. Committee are asked to note that we had a 13% return rate – higher than previous years. Committee are asked to approve the increase.

## **Appendix 1- Rent Consultation responses**

### **1. Rent Consultation Responses**

- Three drop in sessions were carried out on January 9th, 2020 throughout the day and evening. One tenant attended the evening session and there were no attendees at the earlier sessions;
- Home visits were offered – there was no uptake from tenants for home visits;
- Tenants were offered the opportunity to phone or visit the office and complete the rent consultation form;
- Those tenants who are happy to be contacted by text were able to respond to the survey by text
- There were 11 completed rent consultation forms returned via office visits and 93 responses via text message.

#### **a. Do you feel your rent represents value for money?**

Yes – 23

No – 79

No response – 2

- 10.0% of the total number of properties contacted did not feel their rent represents value for money

#### **b. Do you support this increase of inflation (1.5%) plus 1%?**

Yes – 12

No – 87

No response – 5

- 11.0% of the total number of properties contacted did not support this increase of inflation (1.5%) plus 1%?

### **2. Please provide comments**

- Always had a great relationship with housing team and think the houses are great value for money.
- Rents are expensive enough, struggle to pay rent. An increase will put us in rent poverty for those paying rent and not on any benefits.
- I will not pay anymore rent increases as I feel I do not get value for my money.
- Houses are riddled in dampness; rents are already too high.
- It is hard enough to pay rents just now, don't know how I will manage to pay extra. I thought HA was supposed to enforce affordable rents.
- There was already an increase in the last year.
- I am concerned that the rent is already above what I believe it should be.
- Last three years increased on average nearly 18% (6% per year), I think it is beneficial to tenants to give at least one year rent freeze.

### 3. Proposed rent increases from our EHRA partners.

- Blairtummock - currently implementing a rent harmonisation study which is likely to lead to increases and freezing of some rents and therefore no straight % increase
- Calvay – consulting on two options 2.% or 2.5%
- Gardeen – 2.5%
- Ruchazie 2.5%
- Lochfield Park – 2%
- Provanhall – Unknown yet, will decide and consult late January 2020.
- Easthall Park -consulting on three options: 2.85%, 3% and 3.25%

## Appendix 2

### Rent Increase Comparison 2020/2021

#### **How our Rent Increase Compares**

Wellhouse has undertaken a comparison exercise with other Housing Associations and has found that many of them have proposed rent increases in relation to what their Business Plan requirements are, others use Consumer Prices Index (CPI) or Retail Prices Index (RPI). For example: Lochfield Housing Association is consulting their tenants on a proposed rent increase of 2% for 2020/21 while Ruchazie Housing Association are conducting consultation on a 2.5% increase.

Wellhouse have made our proposal based on our Business Plan requirements which suggests that a 2.5% rent increase is required to ensure we meet the requirements of the Business Plan including investment in our stock and maintaining and developing our services to tenants. This proposed increase is calculated by using CPI (1.5%) + 1%, which is consistent with Business Plan projections.

The following table indicates how a 2.5% rent increase would affect the average monthly rent:

Property Size	Average Monthly Rent 2019/20	Average Monthly Rent 2020/21(based on proposed 2.5% uplift)	Monthly Increase
2Apt	£292.02	£299.32	£7.30
3Apt	£335.68	£344.07	£8.39
4Apt	£360.24	£369.25	£9.01
5Apt	£383.89	£393.49	£9.60
6Apt	£431.20	£441.98	£10.78

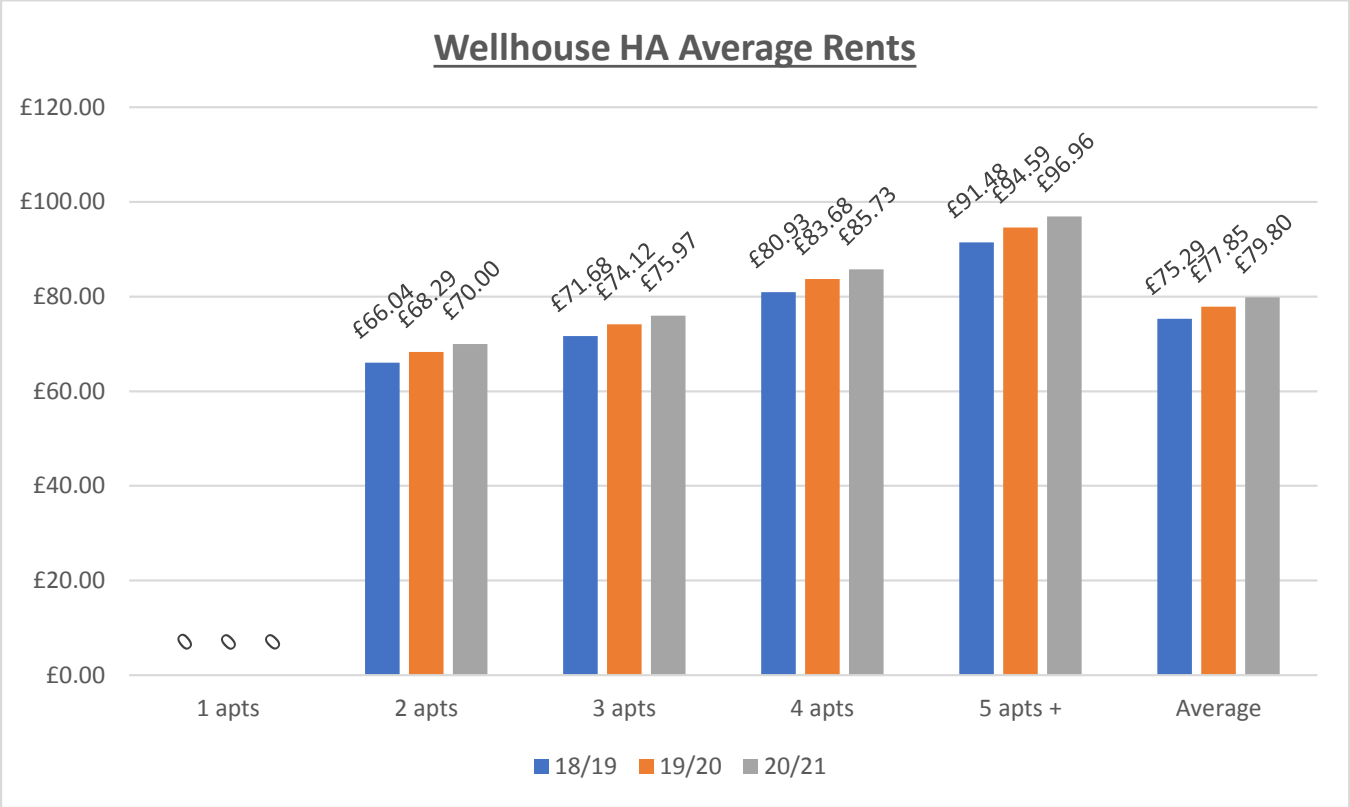
Please note that these averages are based on the range of existing monthly charges per apartment size. For example, we have 2 charges for our 2apt properties based on their amenities. These are £289.29 and £294.74, giving an average of £292.02.

#### **Business Plan Requirements**

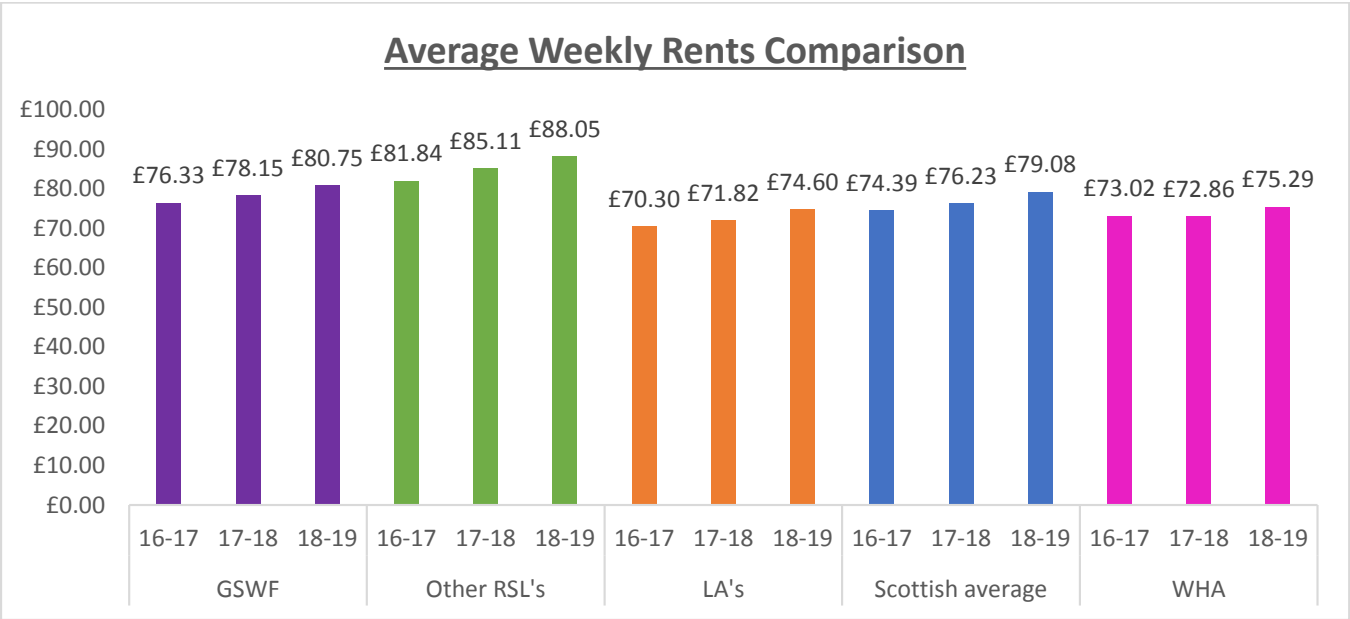
Implementing a 2.5% rent increase will generate an additional £80,000.00 of rental income and will allow Wellhouse to be able to meet all increased costs being passed on

by its suppliers. Failure to do so would result in Wellhouse not being able to meet all of its obligations currently included in the Business Plan. For example we would be unable to carry out all of the planned investment if no increase is applied.

How has the rent increased in recent years?



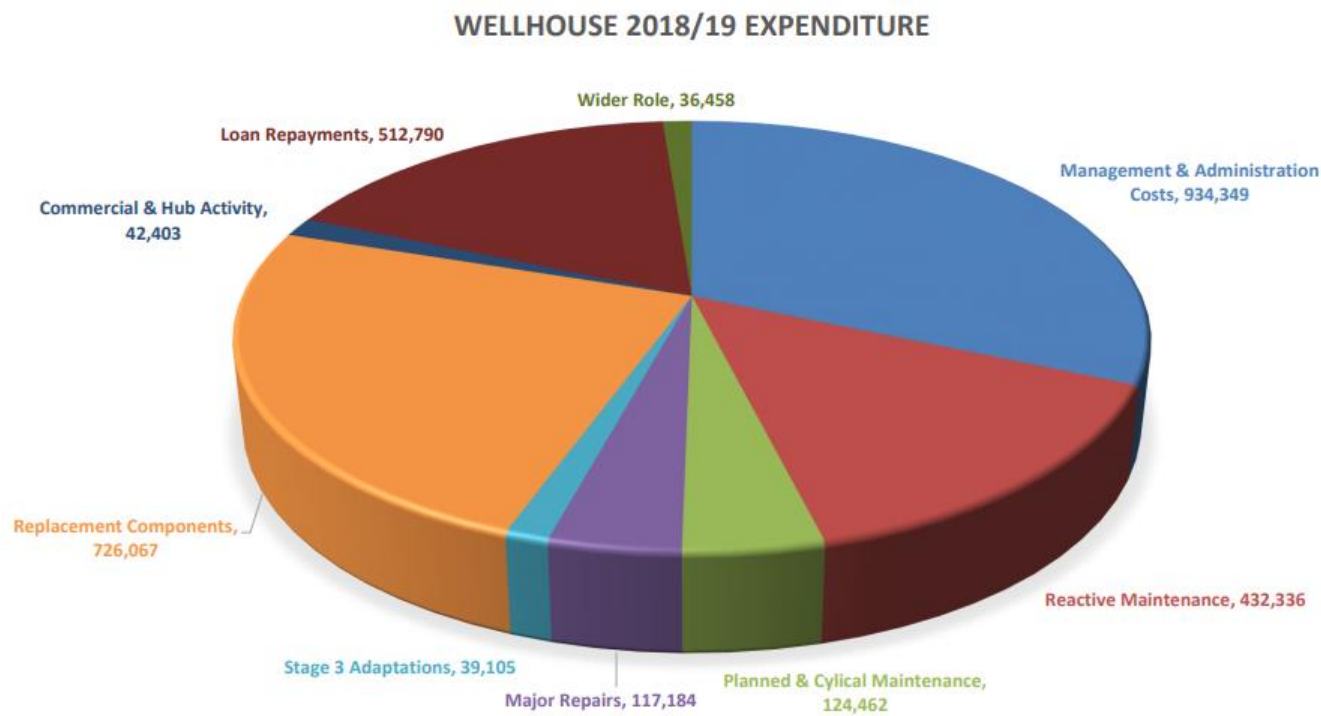
How does my rent compare?





As you can see from the above graph Wellhouse Average weekly rents (£75.29) are lower than the average of community controlled members across greater Glasgow (£80.75); lower than RSL's in general (£88.05) and very similar to council rents (£74.60). Overall, we are £3.79 lower than the Scottish average.

What is my rent spent on?



<b>Management Committee</b>	30th January 2020
<b>Agenda Item</b>	9
<b>Title of Paper</b>	Expenditure Trends
<b>Author</b>	Gordon Kerr, Finance & Corporate Services Manager
<b>Attachment(s)</b>	1) Financial Trends Table 2) Financial Trends Graph

## FOR INFORMATION & APPROVAL

### 1 PURPOSE

- 1.1 The purpose of this report is to analyse expenditure patterns over a number of years.

### 2 RECOMMENDATIONS

- 2.1 That Committee notes the contents of this report.

### 3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objective to provide good governance and financial management. It also supports the Strategic Objective to provide good quality homes.

- 3.2 This Report is relevant in respect of the following Core Values:-

- Accountability

- 3.3 This Report is consistent with point 12:3 from 2019/20 Operational Plan – "Demonstrate viability and adopt a VFM policy".

### 4 BACKGROUND

- 4.1 The purpose of this report is to analyse expenditure patterns over a number of years, particularly investment in stock, salaries, support to Connect Community Trust (CCT), etc. It should also give comfort to Management Committee and help them understand they have made the correct financial decisions.

### 5 MAIN ISSUES

- 5.1 Rental income – as expected this has grown steadily since 2012/13 reflecting the annual rental increase applied on each 1<sup>st</sup> April. Rental income in 2012/13 was £2,495,064 and has increased to £3,110,858 in 2018/19.

- 5.2 Investment in stock through replacement components and other planned renewals is showing an upward trend. The first three years of this analysis shows spend on investment of just under £1.4 million, whereas the spend in the final three years of just

under £2.8 million. Investment in the stock is double the level it was a few years ago. It should be noted that this expenditure applies solely to Planned Renewals/Major Repairs and does not include cyclical and reactive maintenance.

- 5.3 Staffing costs show a different picture. Apart from a spike in 2014/15, the spend on staffing costs has virtually flat-lined over the seven years of the report. However, what it does demonstrate is that the proportion of rental income is consistently dropping – from 25% in 2012/13 to 21% in 2018/19.
- 5.4 Direct and In-kind support to CCT is showing a downward trend since the start of the analysis period – reducing from £219,204 in 2012/13 to £43,000 in 2018/19. 2012/13 was the final year of Wider Role grants being paid to CCT, which amounted to £558,170 over a four-year period. For the purposes of this report the grant has been deemed to be an equal award for each of the four years – just under £140,000 per year. Once the Wider Role grants came to an end, these were replaced with the annual £20,000 donation/grant which has continued through to the end of the analysis period. The in-kind rental income for The Hub is considerably higher in the first three years as this was prior to the valuation carried out by JLL, which determined a market value rent figure. Prior to this the rent in-kind support figure was determined by CGPM based on valuation of The Hub and annual yield figures. The £43,000 figure in 2018/19 is expected to fall even further in 2019/20 due to in-kind support for rent at Newhills Road being reduced.
- 5.5 Credit card expenditure has fallen consistently throughout the analysis period from £29,638 in 2012/13 to £2,806 in 2018/19. The first three years of this analysis shows credit card spend of £53,757 (0.69% of rental income), whereas the spend in the final three years is £4,247 (0.05% of rental income).

## 6. DISCUSSION

Committee is invited to discuss any of the results reported on above.

## 7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 As laid out in Scottish Housing Regulator: Regulatory Standards of Governance and Financial Management (particularly standards 3 and 4) there is a regulatory requirement for Wellhouse to report regularly to Management Committee and for Management Committee to approve these financial reports.
- 7.2 It is also considered Good Practice for Wellhouse to report regularly to Management Committee in order to demonstrate financial viability and to allow for the decision-making process to achieve corporate objectives.
- 7.3 This report is summarising and reporting on financial viability and decision making which has taken place in the past

## 8. FINANCIAL IMPLICATIONS

- 8.1 There are no financial implications.

## 9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Committee make decisions based on the information available at that time but may not always be aware of the consequences of these decisions further down the line.		
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>
As well as reporting on current financial issues, it is worthwhile reporting on longer-term impacts of previous decision making. This can give Committee comfort that financial decisions taken in the past have proved to be correct.		

## 10. EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

10.1 None apparent.

## 11. SUSTAINABILITY

11.1 Not applicable.

## 12. SWOT ANALYSIS

12.1 Not required as no new business activity proposed.

## 13. CONCLUSION

13.1 Although spend has gone up, not only in real terms but also proportionately in terms of % of rental income, it is encouraging to see that it is the investment in stock expenditure where the increases appear.

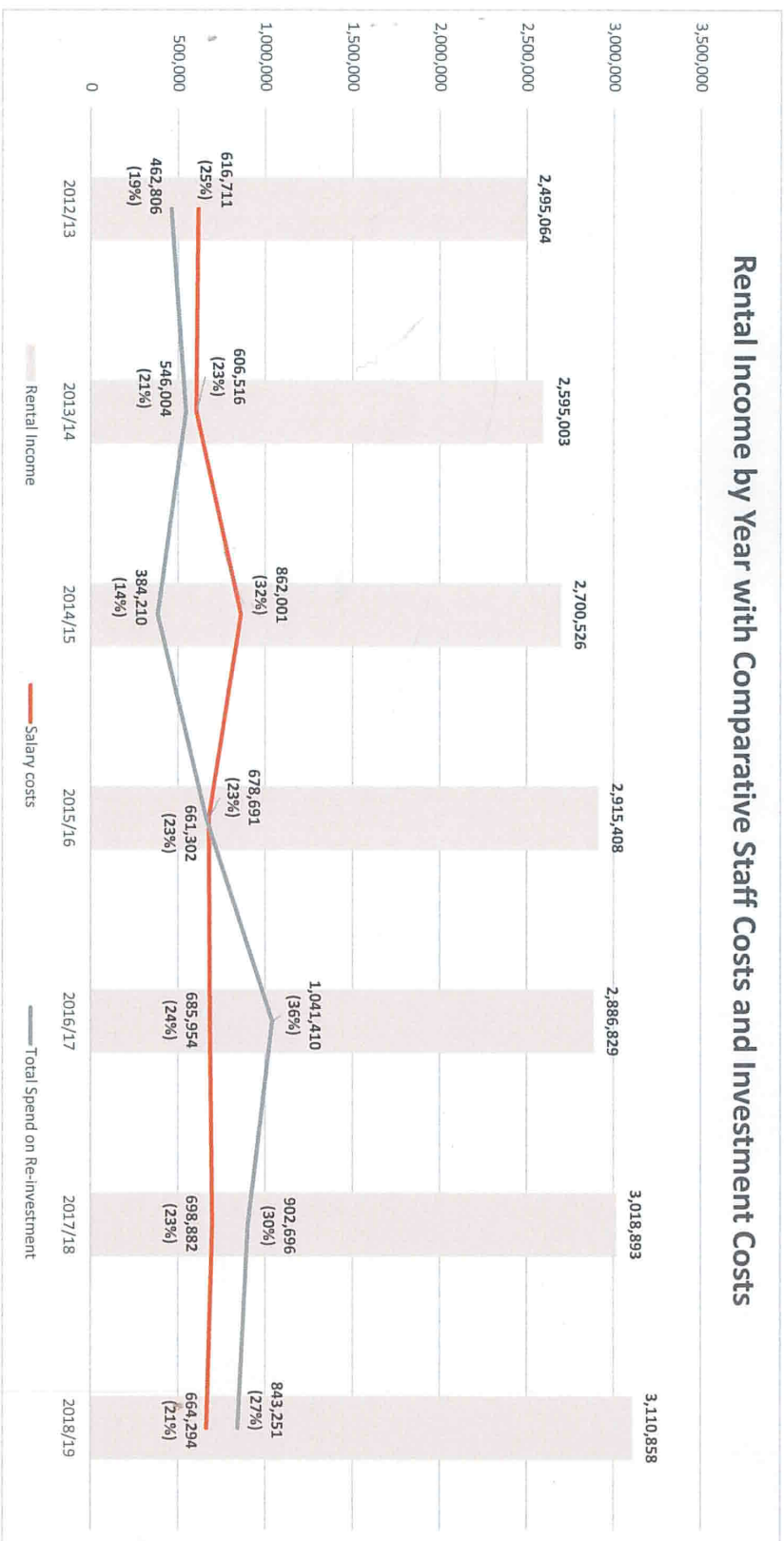
Staffing costs are reducing in proportion to rental income as is credit card expenditure and support to CCT.

Committee should take comfort in the fact that any financial decisions that they have previously taken has meant that more rental income is now being channelled directly to the core areas of the business i.e. investing in stock and less is being directed to overheads and fringe activities.

WELLHOUSE HOUSING ASSOCIATIONFinancial Trends 2012/13 to 2018/19

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Rental Income	2,495,064	2,595,003	2,700,526	2,915,408	2,886,829	3,018,893	3,110,858
Spend on Re-investment (Replacement Components)	19%	21%	14%	23%	36%	30%	27%
Salary costs	25%	23%	32%	23%	24%	23%	21%
Total Spend on Re-investment	462,806	546,004	384,210	661,302	1,041,410	902,696	843,251
Salary costs	616,711	606,516	862,001	678,691	685,954	698,882	664,294
Staff numbers	16	16	20	22	20	20	19
Credit Card Expenditure	29,638	15,824	8,295	1,392	835	606	2,806
Credit Card Expenditure	1.19%	0.61%	0.31%	0.05%	0.03%	0.02%	0.09%
Direct & In-kind Support to CCT	219,204	80,957	54,230	54,334	57,027	47,960	43,000
Direct & In-kind Support to CCT	9%	3%	2%	2%	2%	2%	1%

## Rental Income by Year with Comparative Staff Costs and Investment Costs



<b>Management Committee</b>	30 January 2020
<b>Agenda Item</b>	10
<b>Title of Paper</b>	Management Team Report
<b>Author</b>	Management team
<b>Appendices:</b>	1. Letter of thanks – Newhills Secondary School

## FOR INFORMATION AND DECISION

### 1 PURPOSE

- 1.1 To present the management team report, highlighting any notable changes to the operating environment for Wellhouse Housing Association, including:
- issues flagged up by membership organisations;
  - reporting on training opportunities for committee members;
  - any feedback from training events;
  - reporting progress on key issues which the committee are tracking and;
  - seeking decisions on minor matters that do not require a full report.

### 2 RECOMMENDATIONS

- 2.1 That the various update reports be noted for information;
- 2.2 Committee are asked to approve an away day for staff to review the business plan, IIP feedback and our approach to 20/20 before the end of quarter 4;
- 2.3 Committee are asked to note the proposed changes and approve the HR policies ratified by the Staffing Committee;
- 2.4 Committee are asked to approve retaining a member of staff who has been covering the vacancy of the Housing Assistant for a period of 6 weeks to collect data, as required by law, relating to the protected characteristics of tenants, applicants, committee members and staff for which we are required to comply by 2021.

### 3. BACKGROUND

- 3.1 The purpose of this report is to both improve the efficiency of meetings and rationalise meeting agendas. Management must keep a close eye on key external changes that may affect Wellhouse Housing Association, and report on these systematically to committee.
- 3.2 The Director continues to provide monthly updates, which supplement this report. It is important that committee read the updates and raise any question that they may have. In addition, the Director sends under separate cover the EHRA committee minutes and other key information and committee are encouraged to sign up to SFHA updates and SHARE newsletters. Scottish Housing News and SFHA daily newsletter are a good source of information too.

### 3.3 Business Plan and values

The production of a management team report (and the monthly update) is consistent with:

- strategic objective 5: to maintain good governance and financial management and;
- our values of excellence, honesty, trust and accountability.

## 4. MAIN ISSUES: Director:

### 4.1 H.R. Policies.

Due to the staffing committee of 16 January 2020 not being quorate, staffing committee members were asked to ratify the following policies for a further 3 years via email;

1. Lone Working Policy;
2. Employing Army Reserves Policy;
3. Smoke Free Policy;
4. Staff Expenses Policy;
5. Stress Management Policy;
6. Sabbatical Policy;
7. Equality & Diversity Policy.

#### 4.1.1 Amendments to policies:

All of the above policies had been reviewed to ensure compliance with current legislation and good practice and updated to reflect GDPR and FOI requirements. No additional updates were required to the majority of policies with the exception of the Smoke Free Policy and the Staff Expenses Policy; these being:

#### 4.1.2 Smoke Free Policy

The following statement was removed from the policy as it no longer reflects current legislation: *"Some employers have taken the view that as electronic cigarettes produce water vapor rather than smoke, they can be used indoors legally."*

The policy has been updated to reflect that in August 2016, a World Health Organization (WHO) report recommended that **e-cigarettes** be banned in **indoor** areas or where **smoking** is prohibited. This is because of their potential for non-users to be exposed to chemicals and **e-cigarette** aerosol in **indoor** areas.

#### 4.1.3 Staff Expenses Policy

The policy has been amended to reflect EVH's current scales.

##### Levels of subsistence allowance

- On duty 10 hours plus - £16.85 ( 1 April 2020 - £17.00)
- 5 - 10 hours outwith area - £10.31 (1 April 2020 - £10.00)

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## **Corrective Eyewear**

Payment toward prescribed eyewear is £92.98 (1 April 2020 £94.00)

### **Recommendation:**

**Committee are asked to ratify the above policies for a further 3 years.**

## **4.2 Hub BP**

Delayed till end of financial year, to allow a full assessment of uses, now that CCT have terminated their relationship with WHA. A full report will follow in the autumn. The maintenance manager will pull together the reinvestment requirements which are likely to be fairly hefty.

## **4.3 Development**

Glasgow CC have agreed to fund updated valuations and site investigations. The St John Ogilvie site is being valued in February.

## **4.4 Updates from EVH, SHARE, etc.**

Sent under separate cover by email.

## **4.5 Service Review – TC Young**

A review took place of general service delivery on 22 Jan. 20. All positive feedback on both sides.

## **4.6 HEALTH & SAFETY**

### **4.6.1 THE HUB**

No significant areas of concern. Thanks to Alex Hogg, Maintenance Officer for his continued effort in managing this area. Note that, following an anonymous report to Fire & Safety Officer on the day of our AGM, we received a report from the officer outlining positive feedback on our management of the fire safety. We have 4 first aiders on the staff team and 2 trained in the use of a defibrillator.

### **4.6 Equality & Diversity**

As previously agreed, we are taking up e-learning arranged through TC Young. All staff and committee are to complete the training. It takes about 1 hour. The cost for all attended is £1,500.

## **4.7 APPRAISALS**

4.7.1 Appraisal season starts toward the end of this quarter.

## **4.8 RECRUITMENT**

- 4.8.1 New Warden, Stephen Fotheringham – 6<sup>th</sup> January 2020.
- 4.8.2 New Housing Assistant, Fiona Wylie – 10<sup>th</sup> February 2020.

## **4.9 Staff Welfare**

- 4.9.1 All staff have been spoken to in relation to matters arising over recent months, which have included inappropriate language on social media, gross invasions of personal privacy and anonymous threats. All staff have been reminded of the staff welfare and counselling service. CCTV and lighting has been upgraded. No lone working is permitted. The matter remains on all team meeting and 1-1 agendas. All staff want to pass their gratitude to committee for their support in this matter.

## **4.10 Staff away day**

- 4.10.1 We would like to arrange an away day for staff to review the business plan, IIP feedback and our approach to 20/20 before the end of quarter 4. Committee approval is sought.

## **5 MAIN ISSUES: Assets & Maintenance Manager**

### **6.1 Planned Works**

Contractor is around 40% complete and the feedback has been very good.

A few comments

- Guys were absolutely brilliant workers, kitchens are beautiful.
- The guys couldn't be any nicer, really nice guys.

### **6.2 New Membership of Scottish Procurement Alliance (SPA)**

SPA was created both by and for organizations that purchase products and services for the construction, refurbishment and maintenance of social housing and public buildings throughout Scotland.

### **6.3 BENEFITS OF USING AN SPA FRAMEWORK**

#### **6.3.1 Compliance**

SPA provides a quick and easy route to market, whilst ensuring our clients are complying with the Procurement Regulations in Scotland. We recognise that procurement is an ever changing landscape, therefore to ensure ongoing compliance to the regulations, SPA continually monitor and update our processes to reflect any changes.

SPA promotes best practice in procurement, helping to achieve social value and positive outcomes for communities across Scotland.

All companies are pre-qualified through a fully compliant OJEU tender process, assessing each companies due diligence, and the mandatory/minimum requirements for each framework

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Frameworks provide a quick and easy route to market. Save our clients time, resources and money provide a collaborative approach with shared expertise and resources at outset, helping to achieve further economies of scale.

## **6.4 CALL OFF OPTIONS**

### **6.4.1 Direct Award**

This allows our Clients to select the company that scored best overall value for money, at framework award stage, without reopening competition

In relation to Direct Award, SPA offer the additional service of price validation to ensure the project specific rates are in line with the original terms of the framework.

### **6.4.2 Mini Competition**

SPA run an Expression of Interest (EOI) on behalf of our Clients to ensure that only the Appointed Companies, that are interested and have the capacity to deliver the project specific requirements, are invited to progress through the Call Off procedure.

A meeting with Ewing Somerville Partnership (ESP) was held on the 20<sup>th</sup> January to discuss our requirements for procurement and direct awarding to ESP from the SPA Framework. The next steps following the meeting are, we will lodge this as a Project with SPA along with an outline of our requirement's and future works this will allow ESP to submit a quotation along with time lines , which SPA will check is within the costs submitted on the Framework by ESP

## **6.5 Estate Wardens**

The Estates team is now up to full strength with the addition of Stephen Fotheringham, the team is currently working on the winter maintenance programs .I am sure management committee will join me in welcoming Stephen to Wellhouse Housing Association and thanking GSF for the high quality of service they delivered over the last several months.

## **6.6 Gas Servicing**

We are looking at the existing contract with Saltire the current contract is a servicing and repairs contract where we have to raise a works order for each repair and process these for payment. In 18-19 we raised around 750 orders, this is obviously time consuming for both the repairs and finance teams. We would propose to look at moving to a 3 star service so servicing and repairs are invoiced on a monthly basis, we will carry out benchmarking with other Associations on what they are currently paying for a 3 star service and look at what our costs are currently.

## **7 MAIN ISSUES: Housing Manager**

### **7.1 Arrears Performance**

A separate agenda item is dedicated to the impact of Universal Credit (UC) on rental income and the Income Advisor will be in attendance at the meeting to provide an update on her activity and support to tenants including recipients of UC.

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## **7.2 Information sharing and joint working**

Two members of staff from Home Energy Scotland (HES) met with WHA staff on 10<sup>th</sup> January to discuss how they may assist us with any projects and improvements. HES is keen to support local efforts to help people who may be struggling to heat their homes and stay in control of their energy bills. While they recognise that we are in an excellent position in relation to energy efficiency within our stock, they have agreed that a member of their team will be available at the Hub one day a week to provide advice and assistance to tenants who may be suffering from fuel poverty by giving tips on saving money and energy as well as assisting with changing suppliers. They will deal with referrals from staff as well as helping those who attend drop in sessions. The pilot has still to be finalised but we are hopeful that the sessions will begin in February.

## **7.3 Tenant Participation**

A date for the Committee, Customer Opinion Panel (COP) and staff is required to be finalised in order that the 'Next Steps' Programme can progress. The Housing Manager will provide potential suitable dates at the meeting.

## **7.4 Training**

Domestic Abuse training has now been arranged for staff. Basic training for all staff will be provided by Women's Aid while SafeLives will provide bespoke training to appropriate officers on legislation, risk assessing victims and the implications of dealing with the whole family including the perpetrator. Costs for the latter will be shared with EHRA colleagues who wish to attend.

## **7.5 Complaints**

During December 2019 and upon return to work after the festive break, Housing Officers have been dealing with a higher than usual number of complaints. In December there were 5 x ASB and 2 x SPSO complaints. From 1<sup>st</sup> – 15<sup>th</sup> January, 6 x ASB and 2 SPSO complaints were recorded. A significant amount of officer time has been spent dealing with these cases. The complaints have included: 1 x dog issue, 1 x serious assault, 3 x noise, 1 x vandalism and 3 x neighbour disputes.

## **7.6 Neighbourhood Management Policy**

Consultation has ended on the policy and the final draft will be presented to Committee at the February meeting when approval will be sought.

## **7.7 Data Collection**

We are required by law to collect data relating to the protected characteristics of tenants, applicants, committee members and staff and we are required to comply by 2021. As we have insufficient resources within our current staff team, it is our intention to make a sustained effort over a 6 week period beginning mid-February by retaining a member of staff who has been covering the vacancy of the Housing Assistant. The costs for the 6 weeks would be £2,840 Gross pay and £260 NI costs so the total cost would be £3,100.

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## **8 MAIN ISSUES: Finance & Corporate Services Manager**

### **8.1 Fraud Training**

The Finance & Corporate Services Manager (FCSM) has been in contact with Wylie & Bisset with a view to providing some Fraud training. Wylie & Bisset are our internal auditors and are well versed in holding training sessions.

This information was presented at Management Committee in November 2019 and this report is to give an update on the situation. Wylie & Bisset has advised that, due to the time of year, and the amount of site visits they have planned, it has been difficult to get the relevant staff together to discuss.

Unfortunately, nothing concrete to feed back to Committee at the moment, however, potential dates will be notified to everyone in due course.

### **8.2 Procurement/Contracts Renewals**

This report is to give Committee an update on the status of various office contracts, which are coming/have recently come up for renewal:-

- Insurance – we are now coming to the end of the third year of this three-year contract. The procurement policy, however, does allow for up to five years for an insurance contract prior to retendering. I have discussed this with Steven Young, Bruce Stevenson Insurance Brokers and he will advise insurers and attempt to get the best deal possible for Wellhouse for 2020/21.
- Internal & External Audit contracts are also allowed up to five years prior to retendering and these will both be tendered in the next financial year.
- Landlords electricity supply – this contract is being handled by Citrus Energy, who carry out the procurement exercise on behalf of Wellhouse - collecting quotes, collating results, etc. and have recently come back with these results. Committee will be updated of final outcome, however, it is looking like healthy savings will be made on this contract.
- Photocopier/Printer – this contract, with Xeretec, will be coming to an end shortly and we are in the process of acquiring quotes from some suppliers. This is likely to attract some healthy savings as well, as Xeretec have already intimated that their costs will be quite a bit lower than the costs in the current contract.
- Telephones – this contract has recently come to an end and we will shortly be asking some suppliers to quote for this contract. Initial indications are that there may not be any financial savings to the new contract, however, it is likely to be a higher specification service for the same cost.
- Water supply – the contract with Castle Water “rolled over” last year and is probably at a slightly higher rate than when it was part of the initial contract. We will start looking for quotes in the near future for this contract.

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## **9. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

These are dealt with in the body of the report.

## **10. FINANCIAL IMPLICATIONS**

Dealt with in the body of the report.

## **11. KEY RISKS**

Failure to produce this management team report in a manner approved by the committee could lead to an under informed committee.

## **12. EQUALITY AND DIVERSITY**

None apparent at this time



Appendix to MT report.

12 DEC 2019

**Newhills Secondary School**

42 Newhills Road

Easterhouse

Glasgow G33 4HJ

**Phone 0141 773 1296**

Fax 0141 773 3997

E-mail headteacher@

newhills-sec.glasgow.sch.uk

**Head Teacher**

Mrs Alison Lochrie

Friday 6<sup>th</sup> December 2019

Dear Martin

Thank you for your most generous donation of £100 . We had a good turn out at our Christmas Fayre and raised £759.90!

We use all donations and money raised to buy additional resources for the pupils and to fund lots of extra special activities to celebrate the festive season. For the final week of term some of the activities we have planned include a pantomime visit, a sensory story teller, Independence , a disco - the list goes on and on !

We are all looking forward to Christmas and the holidays beginning and would like to wish everyone in Wellhouse and at Wellhouse Housing Association a very happy Christmas and New Year.

Thanks again for your kindness .

Yours

*Alison Lochrie*

Alison Lochrie

HT

Glasgow—Proud Host City of the 2014 Commonwealth Games

Glasgow—Supporting the Gaelic language Glaschu - a' toirt taic do'n Ghàidhlig

Glasgow—UNESCO City of Music