

**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.

## 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.

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.

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.

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 Incomer 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.

**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.**

**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:.....