

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD ON 25 November 2020  
AT 6PM - VIA ZOOM**

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

**Present:**

Maureen Morris	Vice-Chair
Michelle Harrow	Committee Member
Carol Torrie	Committee Member
Stewart McIntosh	Committee Member
Sarah Morris	Committee Member

**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

**Apologies:**

Shona McKenna	Committee Member
Clare Monteith	Committee member
Darron Brown	Chair
Jane Heppenstall	Committee Member

The Vice-Chair welcomed Stewart McIntosh to his first meeting.

**2. Declarations of Interest.**

There were no declarations of interest.

**3. Minutes of the Committee Meeting of 29 October 2020.**

**Resolution:**

**The minute of the Committee Meeting of 29 October 2020 were proposed by Carol Torrie and seconded by Michelle Harrow as an accurate record of the proceedings.**

**4. Matters arising and actions from the minute report.**

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

**5. Assurance Statement and Evidence Bank.**

The Director presented the report to update committee on the regulatory framework and to remind them of their additional responsibilities towards a system of self-assurance. He requested that should committee require specific or updated briefings to please advise himself or the Corporate & Governance Officer. He stressed the requirements as outlined on page 13 of the report. He asked

committee to note our Annual Return to the Charter and the additional monthly returns submitted to the SHR throughout the lockdown period. He reminded committee of the positive survey results we had received throughout the year via external sources and the recent Housemark benchmarking results, which should provide further assurance to the committee. It will be circulated to committee for information in early 2021.

The Director took committee through the assurance data bank that had been completed by staff to evidence compliance and provided an explanation of the assurance factors. He encouraged committee members to scrutinise the evidence and carry out spot checks to ensure that we are compliant. He highlighted areas of assurance, where it was reported and the links to the evidence. He highlighted areas of full compliance and some areas that may require additional consultation with our tenants and the customer opinion panel. He considered that further work was required to ensure full compliance with human rights and equalities requirement by 2021 particularly in relation to data collection. We will also focus on carrying out a risk-assessments in relation to the impact of the Covid 19 pandemic specifically in relation to universal credit, rent arrears and the costs of component parts and contractor capacity due to physical distancing requirements.

Michelle Harrow asked if the Scottish Housing Regulator (SHR) had access to the evidence bank. The Director stated that the SHR do not require access however may at some point ask to view the evidence. The SHR considers that committee members should scrutinise the evidence bank to ensure compliance.

The Corporate and Governance Officer asked committee to note a change to item 12, SWOT Analysis, within the report which states that to date we have not made the minutes public. This will be removed from the report as all minutes are uploaded to the website.

The Director sought volunteers from the committee, who would be given temporary access to the server, to verify the evidence bank and be asked to provide feedback to the committee. Michelle Harrow volunteered.

**Resolution:**

**Committee:**

- **Noted the regulatory framework;**
- **Noted that we are on no engagement this time, pending submission of our mandatory assurance statement;**
- **Approved the Assurance Statement and for the Chair to sign;**
- **Agreed to a committee member being given temporary remote access to the server to verify the evidence bank and report to committee by 31 March 2021;**
- **Agreed on a way forward for additional support and training that may be required.**

**Michelle Harrow proposed and Sarah Morris seconded the approved resolutions as noted above.**

**Action: The Corporate & Governance Officer will arrange with Hiper, for Michelle Harrow to have a laptop and temporary log in to access to the assurance evidence bank.**

## 6. Management Accounts – September 2020

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 2020.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the period to 30<sup>th</sup> September 2020 was £337,045. The actual results for the period show a surplus of £571,920, a favourable variance for the period of £234,875.

The overall variance arises from:

Operational activities £233,397 – favourable variance  
Net interest and other £1,478 – favourable variance

He asked committee to note at page 24, the Statement of Comprehensive Income, which highlighted actual performance against the budget. He noted that we had budgeted £1.977M in income however the total achieved was £1.933M. He discussed grants released from deferred income which were calculated on a projected figure based on the 19/20 outturn; however, the actual charge based on the final position was less, at £10,016 due to the disposal of components; which had now been replaced.

The Finance & Corporate Services Manager highlighted that rental income had a slight favourable variance of £636. Void losses are lower than the budget figure at £8,748 as opposed to £13,229, a favourable variance in net rental income of £5,084.

He noted the underspend in salaries of £16,075 due to replacement of the Estate Warden Supervisor not being in post in the first quarter of the year. Repairs and Maintenance showed an underspend of £133,381 which was in the main due to the majority of contractor staff being furloughed due to covid-19 and only emergency repairs being carried out.

The Finance & Corporate Services Manager highlighted that the required provision for bad debt write offs had been determined on the level and type of arrears at year end and whether each type should be fully or partially provided for. He noted that this was actually the charge to income and expenditure, which would increase the provision rather than the amount of bad debts written off. The charge for the six months had increased the provision quite substantially by £73,107.

The Statement of Financial position showed that housing properties had increased by £173,218 which was in the main due to bathroom and boiler replacements amounting to £48,000 and an additional £38,000 being spent replacing the boiler in the Hub. The purchase of an individual property on the open market added an additional £85,000.

Cash has increased by almost £500,000 to £2,551,576.

The Director stated that although the actual surplus position was considerably higher than the budgeted surplus, the delay in carrying out most of our maintenance programmes during the current situation had contributed to the underspend. This will be monitored and reported to committee as the need arises.

**Resolution:**

**Committee approved the management accounts for the period to date.**

**The management accounts to 30 September 2020 were proposed by Michelle Harrow and seconded by Sarah Morris.**

**7. 2021/2022 Draft Budget**

The Finance & Corporate Services Manager presented the report asking committee to consider the proposed rent increase for 2021/22 and other financial assumptions that would be used in the draft budget.

He highlighted several factors to be taken into account when determining the proposed rent increase in relation to the current levels of inflation, financial viability, affordability for our tenants, sector wide comparisons, the outcome of our tenant consultation and assumptions in our current business plan.

He asked committee to note the rental income assumptions as at September for CPI, RPI and CPIH. He noted that our CPI was currently at 0.5%; which had increased from 0.2% August. CPIH is at 0.7% which had increased from 0.5%. He took committee through the factors at point 6.3 of the report which took account of how affordable the rent increase would be for our tenants. He discussed the proposed price increases from our contractors and suppliers and the need to consider any detrimental impact resulting from this our current business plan.

He highlighted other financial assumptions at point 6.7 with regards void losses on rental income and salary increases based on EVH terms and conditions. He considered that further negotiations re: salary increases would need to take place as the negotiated three-year wage deal lower threshold may be breached. He noted some assumed changes to the existing staff structure due to one Housing Officer going on maternity leave, it also included 2 additional 0.5 posts in maintenance and housing management. He noted that these additional posts had not yet been approved by committee.

The Director intervened stating that even if in principle approval was given by committee for these additional posts, a full and detailed report would be required for final approval. He asked the Housing and Maintenance Managers to provide further clarity on the proposal. The Housing Manager reiterated that an experienced housing officer would be on going on maternity leave, in addition to this, a flexible working policy request had been received from another housing officer requesting that they change to part time hours. She discussed the ongoing work on rent arrears management, anti-social behaviour issues and additional deadlines that would be required during the coming year.

The management team discussed at length the work and support that would be undertaken by these additional staff members and the specific skill set of the person who had submitted a flexible working policy request. The Director clarified that the requirement would be 1 full time post to cover maternity leave, 1 post would reduce to part time and 1 additional person (2 – 0.5 posts) who would work in maintenance and housing. He highlighted that in principle approval was only sought for the purpose of budget assumptions, however, a full report providing further explanation of the proposals and recruitment of such would go to the staffing committee for final approval.

The Finance Manager highlighted further items of spend included in the overheads this year in relation to GCC Anti-Social Behaviour support services, possible investment in new software to replace SDM

and disaster recover/business continuity including a remote back up facility and the assumed budget for these services as outlined at 6.7 of the report. Similarly, these budget costs had not yet been approved by committee and further detailed reports would be presented to committee at a later date.

The Housing Manager provided background information on the services provided by the GCC Anti-Social Behaviour support services, the costs thereof and savings against legal fees to TC Young should the proposal be approved at a later date.

Arrears were also assumed to increase by an additional £40,000 with the bad debt provision expected to increase.

The Finance Manager concluded by highlighting the draft budget results being achieved on the assumption that the rent increase of October CPI + 1% (1.7%) is applied. Surplus for 20/21 would be £447,948, cash is expected to reduce by £132,769 to leave a balance at March 22 of £2.224,012 and that all lenders covenants will be comfortably achieved.

Michelle Harrow sought clarification and the Finance Manager confirmed that at this time approval was only be sought to consult with tenants on the proposed rent increase, all other assumptions had been included to forecast movements within the budget and to ensure that committee are informed to provide assurance however these assumptions would require committee approval at a later date.

**Resolution:**

**Committee;**

**Approved consulting with tenants on October CPI (0.7) + 1% - 1.7% proposed rent increased for 21/22;**

**Noted the current levels of CPI, RPI and CPIH and confirmed their awareness of the assumptions used in the current business plan;**

**Instructed that a further report be brought to a future committee meeting to progress on the proposed rent increase and consultation to ensure that committee can conclude the consultation.**

**Approval to consult with tenants on October CPI (0.7) + 1% - 1.7% proposed rent increased for 21/22; was proposed by Michelle Harrow and seconded by Stewart McIntosh.**

**8. Quarter 2 – KPI Report July – September 2020.**

The Finance Manager noted that the purpose of the report was to bring to the attention of committee performance in relation to Key Performance Indicators (KPI) for the period July – September 2020. He asked committee to note for information the KPI monitor at page 44 of the report.

The Housing Manager stated that rent arrears continue to be of concern and would be discussed in a separate report at agenda item 10. Tenancy offers refused were within target, with relet times being lengthier than normal at an average of 26.14 days due to delays in processes due to Covid 19. She was pleased to report from a recent survey that tenants who responded in Q2, 100% had indicated that they feel we are good about keeping them informed about our decisions, a very positive outcome.

The Assets & Maintenance Manager stated that contractors continue to perform well given the ongoing Covid situation. He confirmed that gas servicing on the 19 addresses non completions which were due to tenants either shielding or self-isolation were complete on or before the week ending 7<sup>th</sup> August; following the end of shielding on 31 July 2020.

The Director expressed his thanks to the Maintenance and Housing teams for increased satisfaction levels on our performance indicators and continued services that have been provided in relation to lettings and gas servicing. He considered following discussion with our peers within the EHRA group that the teams had performed exceptionally well during these difficult times.

**Committee noted the Key Performance Indications for the period July – September 2020.**

## **9. Annual Treasury Management Report.**

The Finance Manager presented the review of the Association's treasury management activity over the last 12 months covering areas such as loans, investment, covenant compliance, secured stock and valuations, proposed borrowings. He asked committee to consider the Treasury Management Strategy for the next 12 months at page 55 of the report. He noted that the report meets the requirements of CIPFS Code of Practice on Treasury Management.

### **Resolution:**

**Committee consider the financial information detailed in the report and approved the Treasury Management Strategy for the next 12 months.**

**Sarah Morris proposed and Michelle Harrow seconded the Annual Treasury Management Strategy for the next 12 months.**

## **10. Rent Arrears Update.**

The Housing Manager informed committee that since the last report; tenants in rent arrears had increased by 29 to 377. Gross current tenant rent arrears had increased by £2,117.64 which could be attributed to delayed direct debit payments scheduled for the 31<sup>st</sup> of the month falling on a weekend and as such were not included in the October rent collection figures. She noted that those tenants with over £1,000 in arrears continue to be a priority. She highlighted that over 21% of our tenants are now in receipt of Universal Credit

She asked committee to note the table at appendix 1 which indicated Universal trends across the EHRA group which had been collated to assess the impact of Covid-19. The table indicated that Universal Credit claims continue to rise across the group and continues to be an issue for all landlords nationally.

Committee discussed the number of tenants on managed payments to landlords and the delays before we can claim payment. It was suggested that rent arrears letters be specific about possible legal and court costs in relation to legal challenges for NOPs.

**Committee noted the rent arrears position to date.**

## **11. Operational Update.**

### **Director:**

#### **Governance/Continuing Assurance.**

The Director noted that committee had approved a governance peer review at the last committee meeting. He asked committee to note that the project would cost £5,000 per organisation and not £2K as originally anticipated. He considered that the review as still a useful exercise for the Association be involved in.

#### **Development.**

He updated committee on discussion with GCC and Scottish Water with regards various options around retrofitting of flood prevention work as highlighted at appendix 3 of the report. Results of the CCTV survey of the drains carried out on 4 November had been received yesterday. The Director indicated he would be happy to share the survey results with members.

#### **The Hub.**

We continue to work with the contractor on planning any remedial work required for the Hub. Committee will be updated on works as required.

#### **Newhills Road**

The Director informed committee that we have had interest from a commercial tenant for Newhills Road, negotiations are at an early stage. The unit required extensive works to bring it to a lettable standard. He will update as required.

#### **SGM**

Committee were reminded that the second SGM had been rescheduled for 9<sup>th</sup> December 2020 at 6pm.

#### **Housing and Customer Services Manager:**

The Housing Manager asked committee to note that the annual review of the housing waiting list was complete and had resulted in 65 cancellations.

The Housing Team had attended training provided by the Turning Point who specialise in the “Housing First” concept whereby homeless applications are fast tracked into permanent accommodation with Support. The Housing team will monitor progress in the coming months of the referrals made through GCC.

## **Assets and Maintenance Manager:**

### **Bulk uplift:**

The Assets and Maintenance Manager stated that bulk uplifts continue to be an issue for the estate wardens. He asked committee to note the letter sent from GCC at appendix 2 indicating that they will introduce a request only service which will be chargeable.

### **Adaptations:**

We have fully committed our £25,000 allocation for Stage 3 Adaptations. A further £20,000 in funding has been received. At present one adaptation is on hold due to continued access issues. The team had received very positive feedback from an Occupational Therapist on the quick turnaround of adaptation works carried out.

### **Repairs:**

The Maintenance Manager stated that we are direct issuing repairs to cut down on the need for inspections. Additional time is being spent on voids due to the coordinating trades and access to the properties given social distancing guidelines. We continue to have issues with the Utility Companies on getting meters reset or replaced.

Committee discussed bulk uplift at length. Information will be included in the Christmas newsletter should it become available.

## **Finance & Corporate Services Manager.**

The Finance Manager provided a brief overview of his operational update as outlined within the report.

## 12. **AOCB:**

### 12.1 **Homelessness:**

The Housing Manager reminded committee of the request in August from GCC asking RSL's to let as many of our voids to homeless applicants. She reiterated discussions with regards the % of lets required by the Council of 90% which we had indicated that we were unable to commit to. Communication has continued with the Council. The Housing Manager reassured committee that families in the Wellhouse area would be given priority for vacant properties. She provided a breakdown of recent lets and who the properties were allocated to.

### 12.2 **Clydesdale Bank:**

The Finance Manager reported that the Clydesdale Bank had indicated that our online internet banking would be changing at some point. We have now been informed our current internet banking will not be available from 20<sup>th</sup> January 2021 and we will be required to register for the new Business Internet Banking. He stated that committee approval would be required.

He sought approval;

- To register Wellhouse Housing Association for the new internet banking service;
- For the Finance Manager to complete the registration;
- Agree that the Finance Manager will read and agree the terms and conditions of digital banking including the tariff;
- For the corporate administrator, these being the Finance Manager and the Director, to continue being the corporate administrators;
- To hold an appropriate meeting where required resolutions will be passed.



**Resolution:**

**Committee approved the above recommendations and that the Finance Manager complete the registration for Wellhouse Housing Association.**

**Michelle Harrow proposed and Sarah Morris seconded the recommendation and that the Finance Manager would complete the registration for Wellhouse Housing Association.**

**12.3 Christmas Closure:**

The Director sought committee approval to close the office during the Christmas break and to close the office at 1pm on 24<sup>th</sup> December 2020. The office will reopen on 6<sup>th</sup> January 2021 at 9am.

**Committee approved that the Christmas office closure.**

**12.4 Early payment:**

The Finance Manager sought committee approval to pay December salaries on December 23<sup>rd</sup> to take of account of the office closure during the Christmas break.

**Committee approved salaries being paid on 23<sup>rd</sup> December 2020.**

The Chair concluded by thanking Gordon Kerr, Finance Manager for all of his hard work and wished him well in his new position.

There was no further business. Meeting closed 8:30pm.  
Next Meeting: 28<sup>th</sup> January 2021, 11am.

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

Signed (Chair) .....

Date:.....