

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD ON  
25<sup>th</sup> May 2021 at 6pm - VIA ZOOM**

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

**Present:**

Maureen Morris	Vice-Chair
Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member
Sarah Morris	Committee Member

**In Attendance:**

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Assets & Maintenance Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minute taker
Graham Gillespie	Wylie Bisset (Item 6 only)
John Stevenson	Customer Engagement Officer (Item 7 only)

**Apologies:**

Darron Brown	Chair
Clare Monteith	Committee Member
Shona McKenna	Committee Member
Carol Torrie	Committee Member

The Chair welcomed Graham Gillespie, Wylie Bisset, to the meeting.

**2. Jargon Buster**

Noted for information.

**3. Declarations of Interest.**

There were no declarations of interest.

**4. Minutes of the Committee Meeting of 29 April 2021.**

**Resolution:**

**The minutes of the Committee Meeting of 29 April 2021 were proposed by Jane Heppenstall and seconded by Maureen Morris as an accurate record of the proceedings.**

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

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

## 6. Internal Audit – Rent Arrears

Graham Gillespie, Wylie Bisset presented the findings of the audit report relating to rent arrears management which had resulted in an overall conclusion of substantial.

He provided committee with an overview of the scope of the review and background information relating to policies and procedures and the structure of the housing section.

He asked committee to note page 5 of the audit report which provided comparators on the current level of rent arrears against the national average and further benchmarking analysis against local RSL's. He outlined the work undertaken as part of the review and sample testing to confirm staff were adhering to document procedures, effectively recording arrears and additional support and guidance provided to tenants.

He highlighted that the rent arrears audit had highlighted 4 recommendations 2 of which were graded as medium and 2 of low grading. All 4 recommendations related to procedures. 7 areas of good practice were identified. All management responses have been agreed.

He sought questions or comments from the committee. Maureen Morris commented that it had been reassuring to see the 7 areas of good practice. There were no other queries.

**Resolution:**

**Committee;**

**Noted and agreed to follow up actions as outlined with the report;  
Approved the draft management responses.**

**Proposed Michelle Harrow and Sarah Morris seconded follow up action and the draft management responses.**

### **Internal Audit 20/21 – Annual Report**

Graham highlighted that the internal audit annual report provides an overall opinion of the work undertaken during the year. He noted that page 3 sets out the responsibility of the internal audit service which provides the Association with an objective assessment of the adequacy and effectiveness of the management's internal control systems. He asked committee to note that Wylie and Bisset's had an external assessment within the overarching framework of the Chartered Institute of Internal Auditors in October 2019 which had concluded that Wylie and Bisset LLP Internal Audit Department had fully met all of the Standards.

He provided a brief summary of the work undertaken in 20/21. He stated that they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a conclusion as the adequacy and effectiveness of the Associations risk management and governance process. In their opinion the Association has proper arrangements to achieve its objectives and to promote and secure value for money. He drew committee's attention to the comparative benchmarking data on page 7 highlighting that WHA had an overall lower number of recommendations with the associations it had been benchmarked against.

He noted that all Wylie & Bisset KKP's had been met other than the Factoring report which had been delayed due to Wylie & Bisset seeking further clarifications.

#### **Resolution:**

#### **Jane Heppenstall proposed and Sarah Morris seconded the Internal Audit 20/21 Annual Report.**

The Director stated that Wylie & Bisset had done an excellent job over the last five years and have had an excellent working relationship. He wanted to express his thanks to Graham. He reiterated that we were doing a joint tender with our colleagues in EHRA. Graham stated that he had received tender documents and that it was good practice to go to the market and they were happy to retender.

### **7. ARC Return**

The Chair welcomed John Stevenson, Customer Engagement Officer, who joined the meeting.

All members had received a copy of the ARC for their consideration prior to the meeting.

John presented the Annual Return of the Charter. He drew committee attention to the ARC key comparators at appendix 1 which were grouped into service areas which included comparators from last year's ARC return for information. He took committee through the verification, highlighting variances, areas of improvement and satisfaction levels from last year. He stated that the greatest area of improvement was in in % of tenants satisfied with the overall service provided by their landlord which had increased from 86.45% to 94.1%. He stated that given the difficult operating circumstances during Covid that hopefully the improvement recognises the support given to tenants from the Housing Team but also how helpful our Estate Wardens have been during this period. He noted Corporate Complaints had changed due to what we were now required to report on, however we had responded to all stage 1 & 2 complaints within the required timescales. Void rent losses remained within target however 15 properties had refusals due for varied reasons. Re-let times were higher than expected due to restrictions on contractors and staff entering premises and the new process for viewings which caused further delays. In line with increased current and former tenant arrears our collection rate had reduced however was offset in this calculation by an improvement in closing balances compared to last year and was better than projected. He noted that our performance in the collection of Gross Rent Arrears had been affected by Covid 19 and legal restrictions on enforcement. He highlighted no evictions during the year.

There was an increase in the percentage of our stock meeting SHQS; however, targets were not met due to tenants not allowing access for works. Performance remained high for reactive repairs carried out first time however Covid had impacted on performance particularly during periods when the option to cap or forced entry was not available to us. The percentage of tenants who had had repairs or maintenance carried out during this period was comfortably within target. John asked if committee required further clarification or had any questions.

Jane Heppenstall considered that the next year was going to be about catching up and that we would need to keep an eye on how challenging this would be for staff.

The Director stated that for future planning he would bring a report to the June committee re: the Business Plan which he is hoping to extend for one year to try and capture the impact of these issues.

The Corporate & Finance Management confirmed that as a result of delays on services we will need to revisit a formal budget reforecast.

John stated that the regulator requires us to complete a mini quarterly mini-ARC return to monitor progress on performance, complaints and learning outcomes as a result of Covid.

**Resolution:**

**Committee approved the ARC return to the Scottish Housing Regulator no later than 31 May 2021.**

**Sarah Morris approved and Michelle Harrow seconded the ARC submission to the Scottish Housing Regulator no later than 31 May 2021.**

**Actions: The Corporate and Governance Officer will add Business Planning to committee forward planning for June and formal budget forecasting for September/October.**

**John left the meeting at this time. The Chair thanked him for his work on the ARC Return.**

**8. Rent arrears update report**

The Housing Manager asked committee to note that since the last committee update, gross current rent arrears were £336,100, 10% of annual income and former tenant arrears were at £57,334. Overall arrears had reduced slightly by £594.00, which was in the main due to monthly direct debits scheduled for payment on 31<sup>st</sup> of each month not being able to be included in April's balance and therefore the reduction in arrears would have been greater. These payments will be reflected in the account balances for May. She asked committee to note appendix 1 which set out the activity of Housing Officers in April and the significant increase in attempts to contact tenants via telephone and the monitoring of out-with working hours activity which will be reported to committee in June.

She asked that it be noted that all direct debit and standing order payments have been checked to ensure that amounts had been altered to account for the rent increase in April, 8 tenants have been contacted to remind them of the increase. There are currently 125 tenants who pay by Direct Debit, 73 by standing order. Direct debit payments will continue to be encouraged.

Jane Heppenstall asked if there was scope for Laura Reilly, Income Support Officer; to update committee on work undertaken during the lockdown period and suggestions to get tenants income maximized and perhaps additional support for Laura.

**Committee noted the contents of the report.**

**Action: Laura Reilly will be invited to the June committee meeting to report on the impact of Covid 19 to our tenants.**

**9. Former Tenant Bad Debt Write Off Report**

The Housing Manager presented committee with the bad debts on rent accounts for the period January 2018 to the end of March 2021. The accounts had been reviewed and deemed to be irrecoverable and therefore recommendations were made to write-off former tent arrears of £8,494.66. She provided an

overview of the proposed write offs, giving case category and the number of cases. She sought committee approval for the proposed write-offs.

**Resolution:**

**Committee approved the request for total write-off from former tenant rent accounts of £8,494.66.**

**Michelle Harrow proposed and Jane Heppenstall seconded total write-off from former tenant rent accounts of £8,494.66.**

## 10 Management Accounts to 31 March 2021

The Finance & Corporate Services Manager presented the report to provide committee members with a comparison of the estimated and actual financial position to 31 March 2021.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the period to 31 March 2021 was £641,090. The actual results for the period show a surplus of £949,884, a favourable variance for the period of £308,794.

The overall variance arises from:

Operational activities £304,738 – favourable variance

Net interest and other £4,056 – favourable variance

The Finance & Corporate Services Manager highlighted that rental income was close to budget with a slight variance of £2,364. Void losses were lower than the budget figure £26,393 as opposed to £22,202, a favourable variance in net rental income of £6,555. Commercial rent showed an adverse variance of £11,263 which was in the main to the revised rent income for 17 – 19 Newhills Road and the service charge at the Hub no longer being charged after July. Factoring income had an adverse variance of £2,375, a further report will be brought to committee on moving forward with factoring charges.

He asked committee to note the underspend in salaries of £29,059 in the main due to the replacement of the Estate Warden Supervisor not being in post in the first quarter of the year and pension savings. In addition, no Finance & Corporate Service Manager was in post from mid-December 2020 until April 2021. Repairs and Maintenance shows an underspend of £337,354,800 against budget over all areas for the year. He provided a detailed explanation of some of the over and underspend in relation to reactive maintenance, cyclical maintenance and major repairs/planned renewals as highlighted within the report. He reported that subsequent to the preparation of this report we became aware of a further unbudgeted expense of £47,000 for veranda works. Confirmation of when the works were completed is being checked the Maintenance Team.

Cash has increased by almost £911,136 to £2,929,887. He noted that although the arrears balance has increased, there had been significant shortfalls in cash going out, particularly for maintenance which had resulted in the positive movement in cash.

He reported no covenant compliance issues and a gearing result of 19.2%. He discussed loan interest rates and the need for himself and the Director to have discussions with our Lenders on the interest only loan and what is available on the market while it is in our favour.

Michelle Harrow asked if any impact was foreseen on our current loans due to Brexit. The Finance Manager stated that he did not foresee any issues with Brexit however with the current Covid 19 situation he considered the interest only loan should be revisited to ascertain if we could achieve a better debt price.

**Resolution:**

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

**Michelle Harrow proposed and Sarah Morris seconded the management accounts to 31 March 2021.**

**11. Approved Contractors List**

The Maintenance Manager presented the review of the approved contractors and suppliers list for 21/22. He noted the following contractors being added to the approved list over the last financial year;

Total Reinstatement Ltd, Veranda Works  
Akp Ltd, Newhills Road refurbishment  
Sidey Solutions, Window and Door contract  
Robertson Acom, Controlled entry repairs

No contractors were removed from the list.

He re-assured that contractor performance and service delivery was reviewed on a monthly basis and that an annual report was provided on our approved contractors performance.

He sought committee approval for the contractors and suppliers list 2021/22.

The Director confirmed that the list would be distributed to staff to ensure compliance with the use of WHA guidance on the use of the Association's contractors and suppliers and expectations as set out in our Entitlements, Payments & Benefits Policy.

**Resolution:**

**Committee approved the contractors and suppliers list for 2021/22.**

**Sarah Morris proposed and Jane Heppenstall seconded the contractors and suppliers list for 2021/22.**

**12. Assurance Statement Evidence**

Michelle Harrow stated that all RSL's are required to submit an Annual Assurance Statement to provide assurance that their organisation complies with the relevant requirements of chapter 3 of the Regulators Framework. Where a landlord does not fully comply, it should set out in the Statement how and when it will make the necessary improvements to ensure compliance.

She noted that in determining our approach for each requirement we should consider:

- what level of assurance is proportionate, considering our organisation's business and context;
- the sources of assurance and evidence we have and whether they are sufficient and reliable; and
- whether we need independent assurance, and what that should be.

She stated that Landlords should consider how to best use a source of independent assurance when making their Annual Assurance Statements on whether they are meeting regulatory requirements and that thankfully the team in Wellhouse have a well-kept record of each standard and the evidence to support them. She noted that there were 8 different categories with 77 requirements; each with multiple sources of evidence. She confirmed that she spot-checked at least one requirement in each of the eight categories which led to 40 evidence documents being checked overall. She provided examples in relation to committee reviews, away days, committee reports, the equality and diversity policy, allocations, financial reports, staff job profiles and the business plan. She was pleased to report that all areas checked were complete with a full level of compliance.

She recommended that a full equality impact of human rights be carried out for all areas of the business which should also be extended to include an anti-racism statement. She reaffirmed the need for our IT systems to be upgraded, noting her frustration whilst using our current system

The Director thanked Michelle for her helpful feedback. He stated that he has wanted to introduce a quality impact assessment for some time. He noted that the human rights requirement was due to be rolled out this year by the Regulator. He was fully in favour of adopting an anti-racism statement.

He informed committee that himself and the Finance Manager had met with Hiper to progress, as agreed by committee on upgrading our IT system to be cloud based, introducing Office 365 and Homemaster and an update to our broadband. Committee will be provided with tablets to allow access to committee reports. A further report will be brought to committee during the summer.

### **13. Operational update report.**

**Director:**

**Development:**

The Director informed committee that there had been a Surface Water Management Team working group including a follow up meeting between himself and Scottish Water. Our SDFP had been approved at the last committee meeting. All parties are keen to progress with some initial retro fitting to alleviate surface flooding which will include fitting water butts/rain gardens at tenemental stock at Inver Road, changing the layout of an underground pipe at Newhills Road and fitting a rain garden at the Hub/Nursery, in addition creating more green areas to absorb rain water and prevent it running off into the Camlachie burn. City property have responsibility for remedying the blocked drain outside the Hub on Wellhouse Crescent. Scottish Water have committed to provide an article for the summer newsletter.

He stated that he had met with our development agent at New Gorbals HA and the Council yesterday, and subject to committee approval, he proposed opening up further discussions for the purchase of the Balado Road site which would be land-banked in the short term for development. A report will be brought to committee later in the year.

**Covid 19**

The Director stated that at the time of writing he understood that level 0 would mean return to complete normality however a recent report states that we should still default to working from home if possible. He noted that Easterhouse remains a Covid hotspot and as an employer we will need to remain vigilant. A further return to work survey has been sent to staff to complete. He took committee through options available for re-opening the office. He suggested that we continue to follow the guidance of the Scottish Government. He noted the article reported in the Herald re Covid related claims being an issue for employers. An additional occupational health “Covid age” tool to assess risk to staff will be completed before any return to work.

Michelle Harrow asked is there would be any value in having our staff team providing front line services classed as essential workers to access the vaccine sooner. The Maintenance Manager stated that recent guidance had stated that over 18’s can now go on line and apply to have their Covid vaccine.

Sarah Morris asked if lateral testing kits would be ordered for staff. The Director confirmed that these would be ordered. He reiterated measures that have already been put in place. He will keep committee appraised as the need arises.

**Housing Manager:**

The Housing Manager provided a brief update on key areas of activity as outlined within the report.

**Maintenance Manager:**

The Maintenance Manager informed committee the shop units at Newhills Road are now complete. 5 adaptations have been issued with 2 completed and 1 waiting for a joint visit with an OT. Electrical Periodic testing letters will be prepared to restart inspections. There are currently around 160 that are overdue which is reportable as part of the ARC. Covid has had an impact due to the various lock downs however there has been an element of people ignoring access letter. A pre-start meeting for the window and door replacement programme has been arranged.

The Director thanked the Maintenance Manager for overseeing the works and potential tenant viewings at Newhills Road. He noted the most interested parties have indicated they wish to open a food carry out service. Consultation will be held with residents.

**14. AOCB**

There was no other business. Meeting closed: 8pm  
Next meeting: 24<sup>th</sup> June 2021 at 11am

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

Signed (Chair) .....

Date:.....