

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON
28 October 2021 at 11am - VIA ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Maureen Morris	Chair
Clare Monteith	Vice Chair
Carol Torrie	Treasurer
Michelle Harrow	Committee Member
Jane Heppenstall	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

Apologies:

Darron Brown	Committee Member
Sarah Morris	Committee Member
Shona McKenna	Committee member

2. Jargon Buster

Noted for information.

3. Declarations of Interest.

There were no declarations of interest.

4. Minutes of the Committee Meeting of 26 August 2021.

Resolution:

The minutes of the Committee Meeting of 26 August 2021 were proposed by Clare Monteith and seconded by Michelle Harrow as an accurate record of the proceedings.

4.1 Minutes of the Election of Committee meeting 22 September 2021

The minutes of the Election of Committee meeting of 22 September 2021 were proposed by Clare Monteith and seconded by Carol Torrie as an accurate record of the proceedings.

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

The Director stated that he had hoped to bring an updated business plan to this meeting however he considered that a completely new business plan requires completion. The current plan expires at year end. Narratives require further consideration to take account of further information received from contractors, rising costs and the impact of Covid 19. A new draft business plan will be brought to the next committee meeting.

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

6. **Assurance Statement.**

The Director presented the Annual Assurance Statement to report on the updated framework and reminded committee of their responsibilities towards a system of self-assurance. He took committee through the assurance data bank that had been updated by staff to evidence compliance and supplied an explanation of the assurance factors. He encouraged committee members to scrutinise the evidence and conduct spot checks to ensure compliance. In addition, our internal auditors, Wylie Bisset, will be asked to audit the data bank during the audit programme. He highlighted areas of full compliance and areas where we will focus on encouraging wider involvement from our tenants and working towards full compliance with human rights and equalities and to ensure we are doing all we can to support tenants with the challenges presented by Universal Credit and Brexit. In addition, a specific risk assessment was completed in partnership with our colleagues in EHRA to ascertain the impact of Covid on the community. Additional reviews will be completed on the impact on costs of component parts and labour costs in maintenance and rent arrears as part of the updated business plan. Succession planning was completed as part of the current review processes and committee appraisals.

He asked committee to note a typographical error in the last paragraph of the Assurance Statement which would change from October 2022 to October 2021. He sought confirmation and approval from committee that it did not deem there to be material non-compliance issues and that they confirm that we are compliant with the Regulatory Framework, the SHR's Standards of Governance and Financial Management and that we comply with Scottish Social Housing Charter.

The Director sought volunteers from the committee, who would have temporary access to the server, to verify the evidence bank and asked to supply feedback to the committee. Michelle Harrow who had completed the exercise in 2020 encouraged members to participate as she considered it a worthwhile exercise and learning opportunity.

Resolution:

Committee;

- **Noted the regulatory framework;**
- **Noted that we are 'compliant' at this time. That is; we meet the regulatory requirements including the standards of governance and financial management;**
- **Participated in the presentation of the completed toolkit and ask questions as appropriate;**
- **Approved the Assurance Statement and authorised the Chair to sign said statement;**
- **Agreed 1 or 2 committee members would have temporary remote access to the server to verify the evidence bank and report to committee by 31 March 2022;**

- **Agreed that a review be included in our new internal audit programme;**
- **Agreed on a way forward for additional support and training that may be required.**

Carol Torrie proposed and Clare Monteith seconded the resolutions as noted above.

7. Management Accounts to 30 September 2021

The Finance Manager presented the report to provide Management Committee members with a comparison of the budget and actual financial positions to 30th September 2021

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus six months to 30th September was £276,251. The actual results for the period show a surplus of £400,269, a favourable variance for the period of £124,018. Rental income was close to budget with void losses lower than the budget figure of £13,438 as opposed to £11,652. A favourable variance in net rental income of £1,746.

The overall variance arises from:

Operational activities £126,606 – favourable variance

Net interest and other £3,140 – favourable variance

He asked committee to note that commercial rent shows a significant adverse variance of £8,338 from the budget figure of £27,462 which was in the main due to the revised rental figure for 17-19 Newhills Road being implement and the service charge at the Hub no longer being charged after July 2020. The unit is being actively marketed.

He noted over and underspends against budget, however, the actual surplus position is higher than the budgeted surplus for the period to 30 September 2021.

The cash position continues to increase and is in a healthy position finishing the period at over £3.137M.

The were no issues with covenant compliance.

Overall, a good performance for the first 6 months of 2021, resulting in healthy financial position.

Resolution:

Committee approved the management accounts to 30 September 2021.

Carol Torrie proposed and Michelle seconded the management accounts to 30 September 2021.

8. SHAPS Financial Viability Assessment

The Finance Manger presented the report to update committee of the risk category of Wellhouse HA based on SHAPS Financial Viability assessment survey. He highlighted that all employers participating in SHAPS with any defined benefit liabilities, are required to complete an online financial assessment questionnaire each year. He asked committee to note that Wellhouse were no longer in the defined benefit scheme however due to the past service deficit, we are still attached and required to complete the assessment. He highlighted the three areas of forecasting which is a measure of future pension

scheme contribution cover and is an indicator of the earnings strength over the next three years. Taking the forecasts into consideration; Wellhouse falls into the low-risk category.

Resolution:

Committee noted the results of the SHAPS Financial Viability assessment survey.

9. OSCR & FCA Annual Statutory Return

The Finance Manager asked committee to note that it was a statutory requirement for Wellhouse to complete and submit the Annual Return to OSCR by 31 December 2021. The figures in the Annual Return reflect the figure in the Annual Statutory Accounts approved by committee as at 26 August 2021 and a signed copy of the accounts will be submitted alongside the Annual Return. He sought authorisation to submit the Annual Return to OSCR for Wellhouse HA.

The FCA return was submitted by the 30 September 2021 deadline.

Resolution:

Committee approved submission of the Statutory Annual Return to OSCR;

Clare Monteith proposed and Michelle Harrow seconded that the Finance Manager submits the OSCR Annual Return by the specified deadline of 31 December 2021.

10. Financial Regulations procedures update.

The Finance Manager presented the report to advise Management Committee of the proposed changes to the financial regulations.

He noted operational day to day payments were made via BACs payment. He advised that the Housing and Maintenance Manager had been added to the BACs payment process. The list of authorised signatories only lists the Director and Office Bearers as cheque signatories. The Finance Manager asked committee to note that for more consistency to the practice of supplier/staff payments it was proposed that another senior member of staff be able to sign cheques in addition to the Director which would eliminate the issue of 2 committee members having to sign a cheque without it being signed beforehand by a senior officer of the organisation if the Director were unavailable for any period of time.

The BACs payments listing, Bacs payments online banking and cheque payments had also been amended to reflect the Finance Assistant being able to prepare these

A further separate report regarding bank signatories will be presented to the Audit and Risk Committee on 11 November 2021.

He requested that subject to satisfaction that the management committee approve the updated financial regulations procedures update.

Maureen Morris sought clarification if the auditors had considered the proposed changes.

Resolution:

Committee considered the changes made and subject to consult with our internal auditors, approved the updated financial regulations procedures.

Carol Torrie proposed and Clare Monteith seconded the updated financial procedures.

Action:

The Finance Manager will;

**Consult on the proposed changes with our internal auditors;
Circulate the updated financial procedures to all staff members for the purpose of awareness;
Consult with the Chair of the Audit and Risk to agree the agenda and the time of the meeting.**

11. Rent arrears report.

The Housing Manager asked committee to note that since the last committee update, gross current rent arrears had reduced by £48,189 to £300,928. Universal Credit arrears account for half of this figure. Direct Debit payments of £2,000 which were set up for the 31st of each month were not included in the final end of period figure, similarly £5,356 of payments made via AllPay between 1-6 October will be included in the October rent figures. Rent due from GCC for 3 flats, which were provided for temporary accommodation during the Covid crises have accrued arrears of £5,000. Payment had been received yesterday.

Former tenant arrears increased by £7,689, an eviction carried out in September accounting for £3,771 of this debt as well as debt left by abandonment of tenancies. She advised committee that another family as discussed at the last committee meeting had been assisted by Shelter, a proof hearing will be scheduled next year, no further payments have been made.

She noted that Housing Officers continue to make every effort to tackle arrears however their efforts have been adversely impacted upon by several tenants particularly those in the legal system, who continue to take advantage of the temporary legislation and refuse to pay or engage.

She advised that it was difficult to provide a definitive answer or an exact cost value arising from the impact of Covid 19. She noted the issue that had had the greatest impact was the result of the temporary legislative changes that extended the notice period for legal action from 1 – 6 months which allowed several tenants to deliberately increase their debt as well as failing to engage with officers. The Income Advice Officer has assisted tenants with benefit issues resulting from a changes in circumstance resulting from employment changes.

Michelle Harrow sought clarification on what experience we had had in accessing the £10M grant fund distributed to local authorities by the Scottish Government to assist tenants struggling with their arrears.

The Housing Manager advised that we are still waiting on guidance from the Local Authority. Funding has been passed to them. They had indicated that they will be issuing a tool kit and visiting all RSL's. She stated that from initial investigations it appears that funding is geared more for private tenants rather than the social rented sector.

Michelle Harrow advised of funds that had been received by her team for Council and RSL tenants in her local area. She encouraged probing GCC further.

Action: The Housing Manager will contact GCC for further information on their administration of the fund and feed-back at the next committee meeting.

Committee noted the update on the arrears position.

12. Window Replacement - Phase 2 update.

The Maintenance Manager advised that he had been contacted by Sidey Solutions Ltd to inform us that there would be an increase in the tender costs for Lot 2 of the window replacement programme. They had provided a detailed breakdown of rising costs and the reasons thereof as detailed at appendix 2. The Maintenance Manager detailed some of the price increases as follows; composite door blanks had increased by 30.7%, steel reinforcing had now increased by 45% with further increases expected and the cost a shipping container is currently more than £11,000 as compared to £2,000 in May 2020.

He advised that he had checked with Scottish Procurement Alliance and costs are still within the agreed Framework prices. Our consultant, Ewing Somerville Partnership had also stated that they are experiencing similar cost increases with most other contracts they are involved with and there continues to be contractor/labour shortages.

The Maintenance Manager sought committee approval for the new tender cost of £574,748.40, an increase of £56,245.80 and to note the increase as discussed.

Resolution:

Committee;

Noted the recommendations within the report and the tender return.

Approved expenditure of £574,748.40 + VAT to be awarded to Sidey Solutions for Lot 2 of the window replacement programme.

Clare Monteith proposed and Michelle Harrow seconded expenditure of £574,748.40 plus VAT to Sidey Solutions for Lot 2 of the window replacement programme.

A lengthy discussion ensued with regards rising costs and the detailed discussions required at the November meeting with regards the 22/23 budget.

13. Succession Planning Policy.

The Director provided a brief overview of the succession planning process and noted the regulatory requirement that RSL's plan effectively to achieve the appropriate composition of its governing body members through ongoing appraisals and active succession planning and to assure that any member seeking re-election which the nine-year rule applies can demonstrate their continued effectiveness. He noted that committee appraisal and succession planning had been completed for the past 6 years and the succession planning review carried out this year would be subject to a separate committee report in due course. He advised that the Senior Management Team (SMT) had also completed a skills assessment for each of their teams and that he was currently completing the same for the SMT, which would be reflected in the upcoming business plan.

He noted that the Succession Planning Policy had been updated to reflect an updated outline of the succession planning framework for all staff and committee.

Resolution:

Committee noted the contents of the report and approved the updated Succession Planning Policy for a further 3 years.

Jane Heppenstall proposed and Clare Monteith seconded the Succession Planning Policy.

14. Operational update report.

Director:

The Director reported under separate cover.

Housing Manager:

The Housing Manager advised that funding from GCC for fuel emergencies is still being used to help those experiencing fuel poverty. 44 awards had been made totalling £3570, with £486 remaining in the fund. The digital fund has £419 remaining. Thirty devices are still on loan with continued support for two tenants without internet access given access to 6GB of data per month until the digital fund has been depleted.

She advised of a useful meeting that had taken place on 20 October with the newly appointed Neighbourhood Liaison Coordinators, GCC, who had come back to Wellhouse on the Monday and did a walk around the estate with the Estate Wardens and a Housing Officer. They have committed to work with us with regards Fly tipping etc.

Action: The Corporate & Governance Officer will send the land ownership map to committee members for information.

Assets & Maintenance Manager:

The Maintenance Manager noted positive feedback from tenants regarding the window replacement programme and the contractor. Work has commenced on the replacement of 34 kitchens and 45-bathroom units. Flooding damage to the floor in the Café had been paid for through our insurers.

Estate Warden recruitment had only received 3 applicants and as such we are looking to readvertise the post. It has proved difficult to get temporary agency staff, feedback has been that there is a lack of staff across all job types. The Maintenance Assistant vacancy recruitment has been recruited.

He noted that over the last 18 months the condition of void properties received had been in poor condition resulting in higher than average spends. Bulk uplift continues to challenge the estates team.

Finance & Corporate Services Manager:

The Finance Manager advised returns to the SHR and FCA had been completed. The budget setting process for 2022/23 has begun and will be reported to the next meeting. The replacement telephone system has been ordered and staff training will be implemented in December 2021. The Homemaster implementation is progressing well with staff training and system testing now commenced.

15. AOCB

Invite to Chairs

The Chair noted correspondence received from EHRA with regard the EHRA Chairs and Aspiring Chairs Forum. She asked if other members would be interested in attending. She confirmed that the meeting currently take place on the second Wednesday of each month at 10am.

There were no members who indicated that they would be available at that time due to work commitments.

The Chair noted that the EHRA committee meeting minutes etc. were included within the operational update report as an appendix for information. She asked if members would prefer to receive this information via email rather than included with the pack.

Committee confirmed that they would prefer that the EHRA minutes be emailed to them.

Date of December Salaries:

The Finance Manager sought authorisation to pay December salaries earlier on the 23/24 December 2021.

Clare Monteith proposed and Jane Heppenstall seconded payment of salaries to the 23/24 December 2021.

Change of Date for November Committee Meeting.

The Director stated that as members were aware the Chair, Maureen Morris, had been shortlisted for one of the CIH Housing awards and would be attending the ceremony which falls on the same night as the November committee meeting. He asked members if they would prefer to change the meeting to a later date or if the Vice- Chair, Clare Monteith would be willing to Chair the meeting on that evening.

The Director confirmed that committee members had approved that a couple of family members attend the event with Maureen.

Committee agreed to keep the meeting on the 25th of November, Clare Monteith will Chair the meeting.

Pay Rise:

Committee discussed correspondence received from EVH with regards pay increases for 2022 and confirmed that they would prefer option 4 – where employers would hold back at this time to ascertain the rate of inflation over the coming months and revisit at that time. The Director will draft a letter on behalf of the committee.

There was no other business. Meeting closed: 1:00PM

Next meeting: 25 November 2021 at 6pm

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

Signed (Chair)

Date:.....