

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON
26th August 2021 - VIA ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Darron Brown	Chair
Maureen Morris	Vice-Chair
Clare Monteith	Committee Member
Carol Torrie	Committee Member
Sarah Morris	Committee Member
Shona McKenna	Committee Member
Michelle Harrow	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
James McBride	External Auditor, Azets (item 6 only)

Apologies:

Jane Heppenstall	Committee Member
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The Chair welcomed James McBride, External Auditor, 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 24 June 2021.

Resolution:

The minutes of the Committee Meeting of 24 June 2021 were proposed by Sarah Morris and seconded by Carol Torrie as an accurate record of the proceedings.

5. Matters arising and actions from the minute report.

The Director advised that the business plan would not be presented at this meeting due to ongoing work to ascertain the local impact of Covid 19 and our operating environment. He sought committee approval to present the report at the October meeting.

Committee approved that the business plan update be presented to the October committee meeting.

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

6. Draft Annual Statutory Accounts 20/21.

James McBride presented to committee to consider and approve the annual financial statements for the year 2020/21, the management letter received from the external auditors and the response from management and to approve the letter of representation.

He asked committee to note the statement of financial controls incorporating the strategic report at pages 9 - 11 which confirms their conclusion that the financial statements give a true and fair view of the Association's affairs at 31 March 2021, having regard to the requirements on governance matters within Bulletin 2009/4 issued by the Financial Reporting Council and the relevant Regulatory Standards within our Framework as issued by the Scottish Housing Regulator in respect of internal financial controls. He noted the positive statement which reflects with Association's compliance within the Management Committees Statement on Internal Financial Control and the information required at page 11 of the report. He took committee through the auditor's responsibilities at pages 14 and 15 for the audit of financial statements and their approach to identifying and assessing risks.

He took committee through the Statement of Comprehensive Income which shows a healthy surplus for the year of £870,069. Turnover was up £136,000 on the previous year which reflects the rental increase, stage 3 adaptation grant and other income charged to Connect Community Trust for repairs arising at the end of their lease. He noted the bad debt provision for non-payment of these repairs. Operating expenditure increased by £132,000 which reflects the £49,000 in bad debt and £36,000 of repairs costs for the unit leased by Connect Community Trust. He provided an explanation of the actuarial loss/gain in respect of the pension scheme. A further Pensions Trust evaluation was completed at year end and the accounting liability includes an actuarial loss of £234,000. He asked committee to note that this was an accounting entry and that their focus should be more on the forecasting of the past service deficit and affordability. Total comprehensive income for the year was £636,069 as compared to £1,155,903 in the prior year. The Statement of Cash flows noted purchase of other fixed assets of £85,000 which had been grant funded and £169,000 invested in new components. Total creditors fell by £240,000 resulting from loan principal repayments and a release of deferred government capital grants. Overall, a healthy net value of £2.9M at year end. Delayed maintenance works and increased component costs, due to Covid 19/Brexit will decrease these cash reserves.

The Director stated that our accounts were very detailed and sought opinion from James as to whether he thought our accounts were far too detailed and should we be looking to cut them down. James confirmed that the accounts were much larger than an RSL of Wellhouse's size would produce, however suggested that we leave as is for now and revisit next year. The Director agreed with this response.

Auditors Management Report:

James confirmed that the audit conclusion identified no issues affecting the Association's ability to continue as a going concern. He thanked the Finance Team and other staff for their help during the audit. They did not identify any subsequent events which required amendments or disclosures to be made in the financial statements.

He discussed audit risk areas identified at the planning stage and provided an overview of the audit findings.

He asked committee to note the 6 Audit Adjustments as outlined at appendix 1 where the effect on the Total Comprehensive Income was a decrease of £213,000 which were in the main due to the pension adjustment. At appendix 2 he noted 6 uncorrected misstatements which were not considered material, of £21,670.

James confirmed that they did not identify any issues in relation to fraud or irregularity as at page 70 of the report nor did they identify any instances of concern with regards to the legality of transactions or events.

He highlighted one observation per review of purchase invoices being posted to the nominal ledger, it was identified that invoices had been incorrectly posted into the wrong period. An audit adjustment was raised.

Letter of Representation:

James noted that the Letter of Representation was to allow the Management Committee to declare in writing that the financial statements and other presentations to the auditors are sufficient and appropriate and without omission of material facts to the best of the Management Committees knowledge.

There were no queries from committee.

James sought clarification from the committee and the management team that there were no post balance sheet events that should be disclosed, amendments required to the financial statements and to confirm audit finding that we continue to be a going concern.

Committee confirmed this.

Scottish Housing Regulator AFS on-line Return:

The Finance Manager stated that the AFS Return was a regulatory requirement designed to collate selected information from the annual audited financial statements of RSLs in Scotland. He sought delegated authority to proceed to submit the AFS On-line Return to SHR once the Financial Statements have been approved.

FCA Annual Return:

The Finance Manager sought delegated authority to submit the FCA Annual Return by the specified deadline of 31 October 2021 once the Financial Statements have been approved. The Director will sign the return for submission.

Committee were asked if they had any queries to the audited accounts. There were no further queries.

The Director thanked James for his detailed and comprehensive presentation, stating that it had provided a clear understanding of the accounts.

Resolution:

Committee:

Approved the annual financial statements for the year to 31 March 2021.

Approved the Association's response to the Audit Management Letter/Report.

Approved the contents of Letter of Representation, signed version of which to be issued to the external auditors.

Agreed that the Finance Manager should proceed to submit the AFS On-line Return to SHR once the Financial Statements have been approved.

Agreed that the Finance & Corporate Services Manager submits the FCA Annual Return by the specified deadline of 31 October 2021 once the Financial Statements have been approved.

Clare Monteith proposed and Maureen Morris seconded all the above proposals.

7. Management Accounts

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

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the period to 30th June 2021 was £135,708. The actual results for the period show a surplus of £234,448, a favourable variance for the period of £98,740.

The overall variance arises from:

Operational activities £97,503 – favourable variance

Net interest and other £1,532 – favourable variance

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

The cash position continues to increase and is in a reasonably health position finishing the period at over £2.94M.

The were no issues with covenant compliance.

Overall, a good performance for the first 3 months of 2021, resulting in healthy financial position.

Resolution:

Committee approved the management accounts for the period to 30th June 2021.

Carol Torrie proposed and Michelle Harrow seconded the management accounts to 30th June 2021.

8. SHR Loan Portfolio Return

The Finance Manager presented to report to provide Committee with details of the Annual Loan Portfolio Return to be submitted to Scottish Housing Regulator (SHR). He noted no concern regarding any aspect of the loan portfolio return.

He highlighted that approximately 17% of all housing stock was granted as security for loans and compliance, which remains unencumbered. Total loan debt at March 2021 was £7.915M and around 86% of loan debt is on a fixed rate basis, which complies with the treasury management policy. There were no issues in terms of covenant compliance. He drew committee's attention to appendix 1 of the report and invited comments. There were none.

He sought delegated authority to submit the Loan Portfolio Return to the SHR.

Resolution:

Committee approved submission of the loan portfolio return to the SHR.

Clare Monteith proposed and Sarah Morris seconded submission of the loan portfolio return to the SHR.

9. Telephone upgrade report

The Finance Manager asked committee to consider a replacement telephone system that will support remote working while give the association the ability to embrace the latest available technology for a telephony solution.

He noted that the current telephone system had been in place for several years and work had commenced to scope a replacement system by the previous Finance Manager.

He provided a breakdown of current issues stating that the current system was no longer fit for purpose. The proposed system will enable staff to connect via VOIP technology and able to make call from within the office or remotely. When out of the office calls may be diverted to a mobile and calls made from a mobile will display the office number. Wireless headsets will enable staff to work better without having to hold the phone for extended periods therefore better fore staff wellbeing.

The Finance Manager proposed that the quotation from Hiper be accepted at a monthly cost of £229.12 plus VAT for 36 months, with a one-off cost of £3160.66 plus VAT for setup, configuration and wireless headsets. The total of £11,408.98.

Resolution:

Committee approved to engage the services of Hiper Ltd for the telephony service to enable them to be the provider of all the ICT for Wellhouse Housing Association at a cost of £11,408.98 plus VAT over 3 years

Clare Monteith proposed and Maureen Morris seconded to engage the services of Hiper for the telephony service at a cost of £11,408.98 plus VAT over three years.

10. Internal Audit tender/joint procurement.

The Director presented committee with the outcome of the joint procurement exercise for internal audit as completed by the EHRA group. The contract was tendered as shared, with each partner to determine the subject. Wellhouse HA was represented on the procurement team by Maureen Morris and Robert Murray. Following the interviews, all 5 members of EHRA had noted a preference for Wylie Bisset. The audit programme would include 15 days of audit at a value of £5,775.

Resolution:

Committee approved the tender award to Wylie Bisset and that we recommence the audit programme before the year end to include 15 days of audit at a value of £5,775Covid

11. Return to the Hub

The Director presented committee with the plan for the next phase of on-site working and service delivery. He provided an overview of all the safety measure that have been put in place in the Hub. He noted the staff survey results as outlined within the report. He proposed, government guidance pending, that we begin a phased return to the Hub from September 6th with customer facing staff returning to the Hub, with the facility to work from home when providing admin tasks and the office open by appointment only. Back-office staff default to home working for the initial period. A recent customer survey indicated that our tenants would be more comfortable with a scheduled appointment system.

He informed committee of a seminar which he had attended today, where extra caution was advocated given the rising figures in the spread of the virus, particularly in Glasgow. He will circulate the PowerPoint presentation to committee for information.

Resolution:

Committee approved progressing with the plans as outlined within the report for a phased return (assumed to be from September).

Maureen Morris proposed and Michelle Harrow seconded the proposals for a phased return to work.

12. Rent Management Policy

The Housing Manager presented an updated Rent Management Policy for approval. She reiterated several new approaches for tackling rent arrears as agreed by committee in February 2021 and their inclusion within the policy at appendix 1. In addition, the policy now includes provision of former tenant debt.

Resolution:

Committee approved the amended Rent Management Policy.

Sarah Morris proposed and Maureen Morris seconded the amended Rent Management Policy.

13. Complaint's update

The Housing Manager presented the information for complaints and compliments in line with the Scottish Public Services Ombudsman (SPSO) and the Association's regulatory requirements covering the period 1 April 2021 to 30 June 2021. She provided an interpretation of the volume and nature of the complaints handled during the period as outlined within the report. She noted that three complaints were investigated out-with the 5-day timescale without an authorised extension due to staffing oversights. She stated that the team is committed to learning from complaints handling development.

Committee noted our complaints and compliments position.

14. Operational update

Director:

Development Agent:

The Director advised that our current development agent, New Gorbals HA, no longer have the capacity to support us. He is exploring procuring a new agent with support from Bruce Stevenson. As this is a specialist area of work, with very few agents in Glasgow, procurement on PCS may not be possible. The Director is in early negotiations with two other housing associations and a couple of consultants who may be able to provide these services. He will feedback as the need arises.

Flood Prevention Work:

The Director asked committee note that plans to replace the drains outside the Hub have progressed. He will set up a meeting with colleagues in NRS as soon as possible.

Newhills Road:

The commercial unit at Newhills Road is now on the market for rental. 4 people have expressed an interest. This will be a standard item in operational updates until the unit is let.

Easthall Residents:

Plans are being finalised for the re-opening of the Café and bingo. It was confirmed that the same person who ran the bingo before, would continue to do so.

Housing Manager:

Rent Arrears update:

The Housing Manager stated that a separate report was not provided at this meeting due to the size of the agenda and limited timescale. She was pleased to report that rent arrears had reduced by approximately £50,000 and that rent collection continues to be a priority for the housing team.

Discussion ensued with regards garden maintenance within the estate. The Housing Manager advised that she had contacted GCC re with community payback scheme. To date no reply has been received. Michelle Harrow suggested that the Housing Manager contact Castle Huntly Prison as they have people who return on home leave and there may be an opportunity for community payback. She also sought clarification if we have pre and post Covid rent arrear figures.

Action: The Housing Manager will bring pre and post covid arrears to the next committee meeting.

Maintenance Manager:

The Maintenance Manager reported that adverts had been placed for the Maintenance Assistant and the Estate Warden Vacancy. Recruitment of the Maintenance Assistant is proving difficult due to the lack of skilled staff available at present.

Finance Manager:

The Finance Manager stated that the new Finance Assistant was now in place and the team were progressing well. Budget work for 2021/22 continues.

15. AGM Planning

The Corporate & Governance Officer presented the report to outline our procedure for virtual AGM arrangements as agreed by committee at its meeting in June 2021 and to note the members who will stand down and seek re-election at the Annual General Meeting on 22 September 2021.

She stated that under Rule 38.2 of the Rules at least one third of the longest serving committee members since the date of their last election must retire. These were Clare Monteith and Sarah Morris. She sought confirmation that they will stand for re-election. They did not require nomination. Clare and Sarah confirmed they would seek re-election.

It was proposed that the Director continue as the Secretary. He does not require nomination.

The Chair, Darron Brown, had indicated that he will stand down as Chair due to work commitments. The Corporate & Governance Officer asked committee to consider any nominations for the position of Chair. Maureen Morris confirmed she was happy to continue in the position of Vice chair. Carol Torrie confirmed that she was willing to continue in her role as the Treasurer.

Committee were asked to note that Maureen Morris had been an elected member from 13/9/2012 and as such the 9-year rule applies. Committee were asked to confirm that they were assured that Maureen can demonstrate her continued effectiveness as a committee member. Committee confirmed Maureen's continued effectiveness as a committee member and agreed to her seeking re-election at the AGM.

The Corporate & Governance Officer sought confirmation from the audit and risk committee that they were happy to continue as serving members. These were Carol Torrie (Chair), Clare Monteith, Maureen Morris, Sarah Morris, Michelle Harrow and Jane Heppenstall. Carol Torrie confirmed that she was willing to continue as Chair.

She sought confirmation from the Staffing Committee that they were happy to continue has serving members. These were are Clare Monteith (Chair), Michelle Harrow and Sarah Morris. Clare Monteith confirmed that she was willing to continue as Chair.

Committee discussed and nominations were confirmed as

Maureen Morris – Chair
Clare Monteith – Vice Chair

Members were asked to submit any further nominations before the Governance meeting on 22nd September 2021.

AGM arrangements were discussed and it was confirmed to restrict the business of the AGM to those allowed by the Rules and to allow for postal votes.

Resolution:

Committee noted the update and confirmed those members that would seek re-election.

Approved the recommendation to restrict the business being discussed at the AGM to those required by the Rules and to allow for postal votes.

Committee confirmed Maureen Morris’s continued effectiveness as a committee member and agreed that she may stand for re-election.

There was no other business. Meeting closed: 8:15pm
Next meeting: AGM 22 September 2021 at 6pm

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

Signed (Chair)

Date:.....