

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON
8 March 2022 (Rescheduled from 24 February 2022) at 6PM - VIA ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Maureen Morris	Chair
Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member
Darron Brown	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minute taker

Apologies:

Clare Monteith	Vice Chair
Sarah Morris	Committee Member
Shona McKenna	Committee Member (Leave of absence)
Carol Torrie	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 27 January 2022.

Resolution:

The minutes of the Committee Meeting of 27 January 2022 were proposed by Jane Heppenstall and seconded by Michelle Harrow as an accurate record of the proceedings.

5. Matters arising and actions from the minute report.

The Director stated that Hybrid working will continue until the 31st of March 2022. An update will be provided at the next meeting.

He reminded committee of the planned business planning session. Suggested dates had not been suitable for members. He will forward additional dates once he has had a discussion with the business planning consultant.

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

6. Draft Budget 2022/23 – Version 4

The Chair asked committee to note version 4 of the draft budget. She sought clarification on the position of loan covenants. The Director asked committee to ignore pages 11 – 20 included in the February committee papers and to refer to the report sent under separate cover dated 8 March 2022. The Director sought clarification from the Chair if she was comfortable with the Finance Manager presenting his report first and then addressing her query re: loan covenants. The Chair agreed to this.

The Finance Manager stated that there had been some misunderstanding in assumed expenditure costs. The Maintenance Manager had met with the Finance Manager and the main findings of the review were that some of the cost increases with regards costs had been increased by both parties. It was also noted that a blanket 15% increase had not been realistic as much of the expense was for labour only. He noted proposed commercial rents for 17 – 19 Newhills Road would not be realised and the revised figure had been included within the budget. Rental income of 3.8% had also been applied.

He asked committee to note page 2, point 5.1 which highlighted that the previous version of the budget reflected that loan covenants were not being satisfied. He noted that a line-by-line review of expenses had taken place to ensure that the figures were reasonable and that the revised budget was achievable. He noted that £1.4M of the Maintenance budget represent the highest percentage of spend. He provided a brief overview in spend across Cyclical, Reactive and Major Repairs.

The Director asked the Maintenance Manager to recap the main assumptions within the budget. The Maintenance Manger highlighted that Cyclical Maintenance were works that were required and planned ahead on a yearly basis. Discussion had occurred with our contractors to ascertain contract % increases in relation to electrical testing, external painting, gas servicing etc. and expenditure calculated accordingly. He noted that Reactive Maintenance, has on average 35-40 voids per year. He reported that over the first 9 months of this year, 47 voids had required clearance with extensive works required due to the condition of the properties. Planned spend on Major Repairs was £901K with the majority of spend on the window and door replacement programme. He noted that an early start date had been achieved for the contract which would result in some spend being recorded for this year.

The Director sought clarification that contract % increases had been detailed within the Maintenance Budget to March 2023 and asked committee to note the A3 sheet that had been sent under separate cover to provide further detail. The Maintenance Manager confirmed the level of detail provided.

Darron Brown thanked the Maintenance & Finance Manager for the detailed budget. He acknowledged the difficulty in forward planning given the uncertainty across the industry in the supply and demand of materials and escalating costs.

Michelle Harrow enquired if the delay in supply of materials was having an impact on the days taken to let void properties. The Maintenance Manager stated that during Covid the requirement to only allow one trade into the property at a time had resulted in delays. The Housing Manager confirmed that the averages re-let times for the last quarter were currently at 27 days.

The Finance Manager noted that the existing budget assumes the current staffing level and assumes a 2.5% increase as previously agreed. EVH has indicated that discussion is still ongoing with employee representatives and the union. A provision of maternity and adoption statutory cover had also been included within the report. He provided a brief overview of overheads in Management Expenses and provided a breakdown of higher value headings in relation to Corporate Services as shown at page 5 and 6 of the report.

Bad debts provision was lower than the provision at 31 March 2021 in the main due to the level of progress by the housing team in the collection and reduction in the level of rent arrears.

He noted that financial viability is not only determined by increasing income but also by cutting costs, operating more efficiency and a focus on Value for Money identify areas where costs can be controlled further. The SFHA toolkit has been utilised to review rent against local and national averages which showed that rents were less than LHA amounts and significantly less than market rents.

A surplus of £512,782 will be achieved for 22/23. The Director sought clarification and Finance Manager confirmed a positive movement of £103,934.38 surplus for the year, as compared to that reported in the 3rd draft budget report. Lender covenants were now being achieved.

Michelle Harrow queried and discussion ensued with regards evidencing Value for Money to our tenants given the current rent increase. The Director noted work on the current business plan where a different measurement was being considered for rent increases. He confirmed that vast sums of the budget were spent of repairs and voids in particular.

The Chair sought clarification if breaching our loan covenants was a notifiable event. The Director confirmed that it would be. He stressed that we would not be breaching our loan covenants. Our concern arose from accidental uplifts being included in the previous budget. He noted to provide additional comfort he had asked Wylie Bisset to complete an internal budget setting process audit. He will feedback to committee as required.

Action: To provide further assurance and to take account of cost instability and the rapidly changing market, the Director proposed that at the October committee meeting a formal budget reforecast will be presented for consideration.

Resolution:

Committee:

Noted the current levels of CPI, RPI and CPIH are higher than the current rental increase of 3.8% and may present challenges in the future with regards meeting the requirement of having a budget that services the housing stock to a satisfactory level and leaves sufficient surplus to meet loan commitments and component replacements.

Instructed the Finance Manager to adopt the budget as the final version to be used for budget setting and report to the Regulator in the 30-year business plan.

Approved the Version 4 - 2022/23 Draft Budget.

Michelle Harrow proposed and Darron Brown seconded the Version 4 - 2022/23 Draft Budget for adoption.

7. Standing Orders and Delegated Authority Review.

The review of Standing Orders and Delegated Authority was sent to committee under separate cover for approval and will be reviewed in 3 years. It was noted the only change being the inclusion of the new Committee Role Description as approved by committee during the appraisal process. A separate minute providing email approval had been prepared.

Resolution:

Committee approved the reviewed Standing Order and Delegated Authority for a further 3 years.

8. Bulk uplift report.

The Maintenance Manager presented the report to update on bulk and refuse issues and potential costs in the future. He noted that the Estate Wardens collect bulk waste twice weekly resulting in 4 – 5 trips to the recycling centre each day. He highlighted the current costs for disposal at appendix 1 and the increase of bulk in backcourt areas at appendix 2 of the report.

He proposed that the situation will be monitored given the pressures on the Estates team and the potential costs being accrued. A report will be brought back to committee in 6 months with recommendations as noted at item 7 of the report.

Discussion ensued with regards the use of CCTV to capture evidence. The Housing Manager explained that the GCC Anti-Social Team do not provide this service. Research into the use of CCTV and costs are being explored.

Committee noted the content of the report.

9. KPI's – Qtr. 3

The Housing and Maintenance Managers detailed KPI performance results for the third quarter against targets set for 2021/22. It was noted the report still highlights areas of concern in relation to the level of rent arrears. Relet times in quarter 3 were lengthier than normal in the main due to a delay in processes as a result of Covid coupled with an increase in refusals, however there were plenty of other KPI's from which to take comfort. The Maintenance Manager noted an increase in repair requests over the period. Gas servicing is back to 100% access however a high level of forced accesses are still being experienced.

The Director queried and it was noted that the budget for adaptations for the year had been £25K however additional funding had been required through HAG grant funding allowing for a £55K spend for adaptations.

Committee noted the KPI Qtr. 3 results.

10. Complaints & Compliments 2021/22 update.

The Housing Manager noted that the Association had received 15 complaints during the 3rd Qtr. of 21/22. 13 Stage 1 complaints received during the period were completed within timescale with performance of 2.59 days against and SPSO target of 5 working days. There were 2 Stage 2 complaints, completed within timescale with performance at 13 days against an SPSO target of 20 working days. She asked committee to note the table at point 4.4 which detailed the main complaints and the outcomes at page 3 of the report. During the period 4 compliments in relation to our estates service and the level of customer service from housing staff were received. The complaints process had recently been audited.

Committee noted the complaints and compliments update for the 3rd Qtr. of 21/22

11. Rent Arrears update.

The Housing Manager reported that since the last committee update, gross current rent arrears had increased by £2,941 to £290,516. For the same period net current arrears had reduced by £402 to £279,556 and former tenant arrears had increased by £827.

She noted that direct debits to the value of £889.26 were cancelled or returned as unpaid during the month of January and one housing benefit payment of £1020 was incorrectly coded by GCC and will be accounted for in February figures. Universal Credit is now claimed by 245 of Wellhouse households and account for £165,132 of total gross current rent arrears.

The Housing team are focusing on reducing the UC Debt, ensuring that affordable arrangements are being made for those with outstanding balances. There are currently 18 cases in the legal system for Former Tenant arrears.

She confirmed that the Covid-10 Tenant Grant Fund of £7,817 had been received and allocated to those households who fulfilled the criteria.

The Director asked that his thanks be passed to the Housing Team for their continued hard work to reduce rent arrears. He further acknowledged the incredible success of the Income Advice Officer who achieved financial gains of £663,000 for our tenants this year.

Committee noted the update on the arrears position.

12. Policy review report

The review of Complaints, Compliments and Comments Policy, Legionella Policy, Gas Management Policy and Asbestos Policy were sent to committee under separate cover for approval to allow for additional time for detailed discussions on the budget report to take place. Committee noted the minor changes to the policies as outlined within the report which would be reviewed in 3 years. A separate minute providing email approval had been prepared.

Resolution:

Committee ratified the Complaints, Compliments and Comments Policy, Legionella Policy, Gas Management Policy and Asbestos Policy for a further 3 years.

13. Operational update report.

Director:

The Directors operational update was presented in closed session.

Housing and Customer Services Manager

The Housing Manager noted rent increase letters had now been delivered to all tenants to advise of their rent charge for 2022/23. Consultation on the draft Allocations Policy is now underway. A morning, afternoon and evening session has been arranged in the Hub café on 28th and 29th March. All applicants and tenants will be lettered next week informing them of the consultation dates and will include a summary copy of the policy. A link to the full policy on the website will also be included. Tea, coffee and biscuits/cake will be supplied.

Michelle Harrow asked if the new Domestic Abuse Policy update would be included in the Allocations Policy. The Housing Manager confirmed that we had a separate Domestic Abuse Policy and it would be updated accordingly.

She advised that Stuart Montgomery had been retained to assist with an equalities impact assessment as requested by committee.

Assets & Maintenance Manager :

The Maintenance Manager highlighted items discussed earlier in the meeting.

He advised that kitchen and bathroom installations continue, however, the contractor has been encountering delays either due to tenants or tradesmen having Covid.

Finance Manager :

The Finance Manager advised that he would attend the SFHA training session during March covering Data Protection and GDPR. Work has commenced to migrate all information held on the servers over to a cloud-based service. Homemaster will go live the first two weeks in April 22. Staff continue to test and familiarise themselves with the new system with regular meetings taking place with the provider.

The Director thanked committee for their approval for the implementation of the new CRM system which will allow us to move to a completely cloud-based system.

14. AOCB

Leave of absence:

The Chair advised that Shona McKenna, Committee Member, had requested a leave of absence for three months. Darron Brown advised that he had approached a potential committee member and would pass details to the Corporate & Governance Officer.

The Corporate & Governance Officer highlighted that committee recruitment adverts had been placed, its hoped that further members will be recruited.

The Director confirmed, with 7 operating members, a notifiable event will be raised and a plan of action will be discussed with the Regulator. He thanked committee for their continued commitment to the Association.

Resolution:

Committee approved the request for a 3 month leave of absence from Shona McKenna which was proposed by Darron Brown and seconded by Jane Heppenstall.

The Chair advised of a meeting held with Susan Aitken, Leader of the Council and agreement of funding to EHRA for Covid recovery. Further funding of £1M has been allocated to different wards for building and structural works across the city. A meeting with Councillor Ruairi Kelly has been arranged to discuss further. A more detailed report will be presented to committee in April.

There was no other business. Meeting closed: 8:00PM
Next meeting: 28th April 2022 at 6PM

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

Signed (Chair)

Date:.....