

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD  
ON 30 November 2022 AT 6PM – via Zoom and in house**

**1. Welcome, Sederunt & Apologies**

**Present:**

Maureen Morris	Chair
Gordon Kerr	Committee Member
Helen Lafferty	Committee Member
Darron Brown	Committee Member
Graeme Wetherill	Co-opted Member
Leeann Brown	Co-opted member

**In Attendance:**

Martin Wilkie-McFarlane	Director
Bill Black	Assets & Maintenance Manager
Carol Hamilton	Housing & Customer Services Manager
Robert Murray	Corporate & Finance Manager
Linda Logan	Minute Taker

**Apologies:**

Jane Heppenstall	Committee Member
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The Chair welcomed Graeme Wetherill to the meeting, introductions were made. The Chair advised that the closed session for committee members only would follow the confidential committee reports.

**2. Jargon Buster**

Noted for information.

**3. Declarations of Interest**

There were no declarations of Interest.

**4. Minutes of the Committee Meeting of 26 October 2022**

The minutes of the committee meeting of 26 October 2022 were proposed by Gordon Kerr and seconded by Darron Brown as an accurate record of the proceedings.

The Housing and Customer Services Manager noted an amendment to item 10 of the minute which recorded gross tenants' arrears at £27,885. The minutes will be updated to reflect the correct arrears figure of £277,885.

**5. Matters arising from the minutes report.**

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

## 6. Management Accounts to 31 October 2022

The Finance & Corporate Services Manager presented the report with a comparison of the budget and the actual position financial as at 31 October 2022.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the 7 months to 31 October 2022 was £357,206. The actual results for the period show a surplus of £425,305, a favourable variance for the period of £68,099.

The overall variance arises from:

Operational activities £64,368 – favourable variance

Net interest and other activities £3,731 – favourable variance

Rental income was close to budget with a positive variance of £3,179. Void losses were higher than the budgeted figure of £16,251 at £26,311 in the main due to void properties being higher than budgeted and an adverse variance from budget for the commercial rent at Newhills Road. The property has now been leased.

Grant income for fuel poverty of £15,000 was reflected under other income. To date £1,700 had been distributed to those who meet the criteria.

He noted an underspend of expenditure in the management and maintenance budget of £13,086, in the main due to the delay in recruitment of the estate warden vacancy. The position had recently been readvertised. He provided a detailed breakdown of the over and underspends against budget of £94,959 in repairs and maintenance and the reasons thereof as outlined at page 14 of the report.

The statement of financial position showed an investment of £346,918 in door, kitchen, bathroom and window replacements. Cash had reduced by £167,064 to £2,959,711 during the period. Creditors had reduced at 31 March 2022 by £296,461 in the main due to window replacement invoices that had come in before year end.

He reported no covenant compliance issues with a gearing result of 17.83% and noted a reasonable performance for the first seven months maintaining a healthy financial position.

The Director sought clarification on the adverse variance on medical adaptations and reactive maintenance. The Assets & Maintenance Manager confirmed that these variances would be reported on later in the meeting.

### Resolution:

**Committee noted and approved the Management Accounts for the period to date.**

**The Management Accounts to 31 October 2022 were proposed by Darron Brown and seconded by Gordon Kerr.**

## 7. 2022/23 Projected budget reforecast.

The Finance Manager presented the report to reflect on the the findings following the internal auditors' recommendations of the budget setting process and the review of the senior management team of costs and the expected outcome at 31 March 2023.

He asked committee to note appendix 7.1. He noted the budget at March 2022 showed an anticipated surplus of £512,783, the re-forecasted budget projects a surplus of £427,677. He noted details of the movement between budgets of £85,105 and discussed detail in relation to inflationary costs relating to maintenance, payroll and overhead costs with the £1.1M expenditure in the maintenance budget representing the highest expenditure of budget.

He noted revised budgets in relation to cyclical maintenance being reduced for external painting from £15,000 to £5,000. Reactive maintenance had increased to £599,960 as compared to £484,100, in the main due to an

increase in material costs, the level of voids, the works required and the landlords supply of lighting costs, which had increased significantly.

He reported that major repairs non-capitalised had been revised from £151,400 to £189,700. Back courts had not progressed this year and the budget reduced from £45,000 to £15,000. He provided a breakdown of the spend of £789K on major repairs in relation to the spend of kitchens, bathrooms, window and door replacements, however £340K of window and door replacement programme was carried out before March 2022 and had been reflected in the last years audited accounts.

Payroll costs had been revised from £841,509 as compared to £873,024 as outlined at point 5.5 of the report.

He noted despite increased costs lenders covenants were still being achieved.

The Assets and Maintenance Manager advised that 170 additional repairs had been reported during the year with additional increased costs from contractors, which had impacted upon the budget. Contractors continue to have difficulties sourcing materials.

#### **Resolution:**

**Committee acknowledged the content of the report and the revised potential surplus to March 31 March 2023.**

**The projected budget reforecast was proposed by Gordon Kerr and seconded by Darron Brown for approval.**

#### **8. 2023/24 Draft Budget**

The Finance & Corporate Services Manager presented the report to consider the proposed rent increase for 23/24 and the financial assumptions used within the draft budget. He advised that the current business plan would assume an inflationary rise of CPI plus 1%, however, given the current level of inflation at 11.1%, he considered this to be unsustainable for our tenants and that it would be prudent to adopt a policy that considers a rate of 3 and 5 % for the forthcoming year. He provided scenarios of surpluses, deficits and projected incomes from a rent freeze, a 3 and 5% increase, how these would impact on our investment programme and the services we provide. He took committee through other financial assumptions in relation to void losses, salary increases and other assumed overheads as outlined within the report. He noted that a 3 and 5% increase, would achieve lenders covenants.

Gordon Kerr sought clarification and the Finance Manager agreed to provide details on the financial implications on lenders covenants if a 0% rent freeze was implied. The Director requested that the Finance Manager email committee members with details before the end of the week. The Director will keep committee updated on proposals from the Scottish Government.

The Director emphasised and it was noted that the Committee were moving away from their approval of assumptions within the current business plan and although there had been a provision to explore alternative rent increases for this year, he asked committee to consider and as a point of clarity, to note that they were being asked to approve a decision that was different from the approved business plan, yet in the interest of our tenants.

#### **Resolution:**

**Committee noted the current level of CPI as outlined within the report for the previous 12 months. It was agreed to consult with tenants on a 3 and 5% rental increase on rent consultation and to conclude the budget for committee approval. The Finance Manager was instructed to bring a future report to progress**

**Darron Brown proposed and Gordon Kerr seconded to consult with tenants on a 3 and 5% rental increase.**

## 9. Rent arrears update.

The Housing Manager reported that since the last committee update, gross current rent arrears had increased by £4,233 to £282,118. 3 tenancies were ended in October with a balance owed of over £5,000. For the same period net current arrears had reduced by £10,500. 96 tenants owe more than £1,000 and those owing more than £2,000 has increased by 4 to 48. Housing Officers continue to make new payment arrangements.

2 eviction decrees were enacted within the last week, one in relation to rent arrears. Committee will be updated at an upcoming meeting in due course. 18 cases are within the court system at present.

She sought questions or points of clarity from the committee.

There were none.

**Committee noted the update on the arrears position.**

## 10. Policy Review

The Housing & Customer Services Manager presented the Tenant Participation Strategy, action plan and the Rent Management Policy for committee consideration and approval. The tenant participation strategy and action plan were published on the website for consultation with no responses and discussed with the Customer Opinion Panel who were supportive of each draft. The Rent Arrears Policy had been amended to reflect the process that will be used for dealing with committee members with arrears related issues.

**Resolution:**

**Committee approved the Tenant Participation Policy/Action Plan and the Rent Arrears Policy.**

**The Tenants Participation Policy/Action Plan and the Rent Arrears Policy was proposed by Leeann Brown and seconded by Helen Lafferty.**

## 11. Complaints and Compliments update.

The Housing & Customer Services provided a brief overview of complaints and compliments for the period 1 July to 30 September 2022. 2 stage 1 complaints had been received within the period with an average resolution time of 5.5 days against the SPSO target of 5 working days. No stage 2 complaints were recorded during the period.

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

## 12. KPI's

The Housing Manager presented the report to bring to the attention of Committee the performance in relation to KPI's for the period April – September 2022. She noted appendix 1 of the report which detailed results for the second quarter against targets set for 22/23. She highlighted the following results for information;

Rent collected of total rent due was 99.57% at the end the quarter. She noted the % of offers refused were now within target however relet time had increased to 68.3 days. Covid restrictions and metering issues had an impact on performance.

The Maintenance Manager noted timescales for the completion of some adaptations had increased significantly in the main due to planning permissions being required for installation of access ramps. The Chair sought clarification and the Maintenance Manager advised that overspend in reactive maintenance had in the main been due to an increase in reported repairs, works required within void properties and increased costs for materials.

Committee noted the KPI's for the period April – September 2022.

### 13. Operational update

#### **Director:**

The Director provided a brief update on community work being provided by Easthall Residents Association. He advised committee of a Christmas at the Hub event scheduled for Saturday 10<sup>th</sup> December which will include fun fare rides.

#### **Housing Manager:**

The Housing Manager advised that the housing team are focused on the next stage of the Homemaster implementation, testing of the Allocations process and preparing for the rent consultation event which was subject to a separate report. She provided a brief update on support being provided by the Income Advice Officer.

She asked committee to note that during the summer months the office had closed for lunch between 1-2pm due to shortage of staff during the holiday season and covid related illnesses. She advised that the team had realised some benefits including staff not having to be office based to cover telephone calls and reception, increased availability for tenancy visits and viewings from applicants who request lunchtime appointments and an improvement in staff morale and team cohesion.

She sought committee approval to continue with this practice.

Gordon Kerr asked if the lunch time closure had caused restrictions to times when tenants could drop into the office. The Housing Manager advised that no issues had arisen or no complaints had arisen from service users. Committee discussed and she confirmed that staff were flexible to accommodate lunch time appointments should they be required.

#### **Resolution:**

**Committee approved the practice of the office closing at lunch time between 1-2pm.**

**Helen Lafferty proposed and Darron Brown seconded the practice of office closure between 1-2pm.**

#### **Maintenance Manager:**

The Maintenance Manager advised that 2 temporary wardens had been in place due to sickness within the team. The estate warden vacancy had been readvertised and interviews scheduled for mid-December.

He advised that spend on Adaptions had been approximately £40,000 in the last few weeks with the remaining budget being allocated. A further £10,000 has been requested.

He noted that following a meeting with Utility Aid we would be trailing the service for 3 months for metering issues within void properties.

#### **Finance Manager:**

The Finance Manager advised of a positive meeting with the Homemaster Customer Services Director who had been open to suggestions from the team for amendments to be the system.

Following a survey with staff he sought committee approval to pay the December salary on 22<sup>nd</sup> December and for staff to use an additional 2 days annual leave for the 5/6<sup>th</sup> January with the office re-opening on Monday 9<sup>th</sup> January 2023.

**Resolution:**

**Committee approved, Darron Brown proposed and Leeann Brown seconded the request for salaries to be paid on the 22<sup>nd</sup> December 2022.**

**Darron Brown proposed and Helen Lafferty seconded the proposal and for staff to utilise additional annual leave for the 5/6<sup>th</sup> January with the office reopening on the 9<sup>th</sup> January 2023.**

He advised that the Audit and Risk Committee had met on 17<sup>th</sup> November 2022. He asked Gordon Kerr, Chair of the Audit and Risk Committee to provide feedback. Gordon advised that the internal audit report on Cyber Securing and had been positive with 3 medium and 1 low recommendation, with a substantive level of assurance. A plan of action is in place and recommendations will be implemented before year end. The audit of Maintenance had 1 high and a couple of low recommendations with a low level of assurance. A plan of action is in place for recommendations to be implemented before year end.

He noted requirement for additional bank signatories had been discussed, he sought volunteers from the committee. Darron Brown volunteered to be a signatory.

The SFHA Treasury Management Policy had been approved and appropriate training will be arranged for committee members.

Committee noted the operational update.

**14. AOCB**

**There was no other business. Meeting closed 8:00PM**

**Next Meeting 25 January 2023 at 6PM via Zoom and in house**