

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD
ON 24 May 2023 AT 6PM – via Teams and in house**

1. Welcome, Sederunt & Apologies

Present:

Maureen Morris	Chair
Gordon Kerr	Committee Member
Jane Heppenstall	Committee Member
Anna Dukova	Casual Member
Michelle Harrow	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director
Bill Black	Assets & Maintenance Manager
James Wilson	Housing & Customer Services Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minutes
John Stevenson	Service Improvement Officer (Item 6 only)

Apologies:

Helen Lafferty	Committee Member
Leeann Brown	Co-opted Member
Darron Brown	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 April 2023

The minutes of the committee meeting of 26 April 2023 were proposed by Jane Heppenstall and seconded by Gordon Kerr as an accurate record of the proceedings.

5. Matters arising from the minutes report.

The Director noted the open action arising where the Committee had considered the value of cancelling full membership of EVH. Committee discussed and agreed in principle to remain members. The Director agreed to provide an update for discussion at the June meeting.

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

6. ARC Submission.

John Stevenson, Service Improvement Officer presented the ARC Submission for consideration and comment. He asked the committee to note that questions within the return had been checked and verified by the Senior Management Team and the Director. All members had received a copy of the ARC for their consideration prior to the meeting.

He drew committee attention and provided an overview of the ARC key comparators at appendix 1. He advised that tenant satisfaction indicators had reduced across a number of satisfaction indicators largely due to the number of neither/no responses increasing but also an increase in dissatisfaction which the consultant believes impacts on wider financial pressures on tenants' perceptions of costs and services. Gross rent arrears remained above target although performance improved and the average time to re-let properties increased during the year. Stock not meeting the SHQS remained below target but had improved, however new legal duties and access refusals had impacted on performance.

Jane Heppenstall noted and sought clarification on the SHQS reference on an increase from a 10% to 30% sample. The Maintenance Manager explained that we are required to complete a stock condition survey, he noted the costs associated in the completion of the surveys and that most housing associations complete an in-house audit of 30% per annum. He will bring a report to the committee in the next couple of months regarding the purchase of the in-house stock condition audit system. She also sought clarification on how we capture the trend for tenant satisfaction and voids. The Service Improvement Officer confirmed that we monitor and capture the reasons for refusals etc. and act upon them. The Director advised of discussion at the SFHA Board meeting where similar trends were reported. He will inform of further updates from the SFHA.

Gordon Kerr queried point 4.1 of the report and the SDM management system reported. The Service Improvement Officer acknowledged the error and that it should read HomeMaster. The report will be amended accordingly.

Resolution:

Committee noted and approved the Annual Return of the Charter for submission to the Scottish Housing Regulator, no later than 31 May 2023.

Gordon Kerr proposed and Anna Dukova seconded submission of the Annual Return to the Charter to the Scottish Housing Regulator no later than 31 May 2023.

The Service Improvement left the meeting at this time.

7. 30 Year Financial Projections incorporating Five Year Financial Projection.

The Finance Manager noted that the SHR 5-year financial projections were required for submission to the SHR no later than 31 May 2023. He cited the reasons for the Return being submitted to the committee under separate cover noting required input from Curb, our development agent, and feedback from the SHR, not being available at time of writing. On the recommendation of Curb and the SHR, development assumptions were included within the return with other variables in relation to contracts and lending, which would still require clarification. The SHR has been briefed on the assumptions and will also be sent to Wellhouse lenders to comply with financial covenant requirements.

Gordon Kerr sought clarification on the assumptions for rental increases that assume an increase of 1% above inflation from years 2 until the 30-year period, whereas the report states that the assumptions from year 9 onwards assumes an inflation only rent increase. He also sought clarification point 5.2 on the latest stock valuations and seeking permission from RBS to borrow again. The Finance Manager agreed to revisit the narrative on rent increase assumptions and to approach RBS for approval.

Jane Heppenstall raised concern at point 5.2 on the wider impact of alternative heating systems not being costed. She acknowledged that this was a massive issue and queried when we would start to engage and build these costs into the budget. The Maintenance Manager advised that any new build from 2025 would require electric heating. He noted the costs of retrofitting at present and the requirement for the Government to provide further guidance.

Action: The Director acknowledged Jane's concern and proposed that a report should be brought to committee in the next couple of months to focus on alternative heating systems, the challenges, maintenance and running costs, in particular for our tenants, what's happening within the sector and up to date information from the Government relating to funding and our advisors such as the SFHA.

Resolution

The committee noted and approved the Five-Year Financial Projections for submission to the SHR no later than 31 May 2023.

Gordon Kerr proposed and Anna Dukova seconded submission of the Five-Year Financial Projects to the SHR no later than 31 May 2023.

8. Management Accounts to 31 March 2023

The Finance Manager presented the report to provide members with a comparison of the budget and actual financial positions as at 31 March 2023.

He noted an overall favourable variance of £132,521 arising from:

Operational activities – favourable variance of £30,648

Net interest and other activities – favourable variance of £1,873 and;

Actual loss in pension scheme – favourable variance of £100,0000

Expenditure:

He advised an underspend of £36,968 mainly due to staff being recruited at a lower pay scale and not being members of the pension scheme. He reported over and underspends of £53,649 against budget and provided an explanation with regards the reactive/cyclical and the major and planned renewals programme. The largest underspend in modifications were against the back courts and the external verandas which were completed for less than budgeted costs. Further work and consultation will take place before work on the back courts is completed. Bad debts had increased significantly due to how we report. He noted that we provide for any balance greater than £1,000 as per the auditor's recommendations.

Cash flow report:

Overall, the cash flow output report showed a deficit of £1,725 as opposed to a surplus of £647,304 in SOCI.

Resolution:

Committee approved the management accounts to 31 March 2023.

Anna Dukova proposed and Gordon Kerr seconded the management account to 31 March 2023.

9. Approved list of contractors and suppliers 23/24

The Finance Manager highlighted that the approved list of contractors and suppliers had been reviewed to ensure performance and value for money. He noted that Glasgow Private Hire would now be removed from the list of contractors due to the closure of our account and their change to terms and conditions. This information at not been available time of writing.

Resolution.

The Committee approved the list of contractors and suppliers 23/24, subject to the removal of Glasgow Private Hire.

Jane Heppenstall proposed and Gordon Kerr seconded the approved list of contractors and suppliers 23/24.

10. KPI target 23/24

The Housing Manager presented performance targets in relation to KPI's for the 23/24 financial year. He noted performance failures as highlighted within the ARC return. Rent arrears at year end was 9.06%, which remained above the internal target of 8%. Relet times were lengthier than normal at an average of 54.94 days against the internal target of 12 days which reflected the delays in the process with 8 properties carried forward from last year and the conditions of many of the properties and metering issues. He reiterated discussions in relation to tenant satisfaction indicators as highlighted within the ARC report.

Gordon Kerr queried if the re-let time indicators were realistic given the current average days against target. The Maintenance Manager recapped issues arising from the condition of void properties and metering issues. The committee discussed and approved that the internal KPI target for relet times be increased to 25 days.

Resolution:

Committee approved the KPI's targets for 23/24.

Jane Heppenstall approved and Anna Dukova seconded the KPI target for 23/24.

11. Rent Arrears report.

The Housing Manager noted progress in that auto entitlements was now operational in HomeMaster, improving the accuracy of the technical arrears calculation which was now based on payments received as opposed to what was expected to benefit entitlements.

Since the last committee update gross tenant rent arrears had increased by £13,186 however at the end of the period £1,356 of payments could not be posted from DWP without a remittance statement. During the

same period net current rent arrears decreased by £25,930 to £44,565. Former tenant arrears had decreased by £505.00.

He provided, as requested by the committee at the last meeting, a breakdown of cases and balances of those tenants over one month in rent arrears. He asked the committee to note that there were currently 17 cases in the court system.

The **Committee noted the rent arrears position.**

12. Policy Review Report

The Corporate and Governance Officer advised that the Employing Army Reserves, Lone Working, Alcohol and Substance and Communications tools policies had been reviewed. She noted changes to the Employing Army Reserves and Lone working policies has outlined in bold type face within the report. There were not changes required to the Alcohol and Substance Abuse or the Communications Tools policies. She sought committee approval.

Resolution:

Committee approved the afore mentioned policies.

Jane Heppenstall proposed and Gordon Kerr seconded the reviewed policies.

13. Operational Update

Director:

The Director noted that all items within his update had been discussed under other items within the report. A separate report applied to the development update.

Housing Manager:

The Housing Manager reiterated discussion with regards the test and roll out of auto entitlement and the improvement in the calculation of technical arrears. He asked committee to note that the housing team was reviewing their rent arrears and debt management procedures and revisiting the steps taken and reflecting the move to HomeMaster.

Maintenance Manager:

The Maintenance Manager informed committee that we had received a letter from Glasgow City Council with regards the Scottish Government Energy Efficient Scotland Scheme and potential funding for the fabric first approach and as such we had lodged a note of interest. We are currently surveying those properties that we think would benefit from this type of upgrade.

Tenants in the 23/24 planned maintenance programme have been lettered and addresses passed to the contractor to survey and plan the works.

We have submitted our request to Glasgow City Council for funding at £70,000 for stage 3 adaptations.

He informed committee of an unauthorised alteration carried out by a tenant without consultation with the Association. A meeting with the tenant had been arranged and an engineers report received. Temporary repairs were carried out and a formal tender was issued. Costs are considerably higher than expected to re-roof the property. The tenant has been informed that all costs associated with the works required are rechargeable.

Finance Manager:

The Finance Manager asked committee to note that internal audits on Factoring Services had been carried and the recommendations and presented by Wylie Bisset at the Audit and Risk Committee. The Senior Management Team has committed to move forward with any outstanding issues. Terms deposits had also been discussed.

Recruitment for the Finance Assistant had been successful. Stephne Moir was now in post.

Committee noted the operational update.

10. AOCB

The Chair informed committee that Graeme Wetherill has resigned from committee due to study and work commitments.

She advised that “Finance for non financials” training had been agreed with Wylie Bisset at the Audit & Risk Committee. Committee will be advised of proposed dates. She reminded committee of the Fraud training scheduled for 1 June 2023.

The Housing Manager advised of a Declaration of Interest with regards a staff member being offered a property. All relevant policies and procedures had been adhered to.

There was no other business. Meeting closed 8:20PM
Next Meeting 28 June 2023 at 6PM via Teams and in house