

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD  
ON 28 August 2024 AT 6PM**

**1. Welcome, Sederunt & Apologies**

**Present:**

**Darron Brown  
Anna Dukova  
David Gebbie  
Felix Lynn  
Lauren Herd**

**Vice Chair  
Committee Member  
Co-optee  
Casual Member  
Co-optee**

**In Attendance:**

**Bill Black  
James Wilson  
Bruce West  
Linda Logan  
James McBride**

**Maintenance Manager  
Housing and Customer Services Manager  
Finance and Corporate Services Manager  
Minutes  
Auditor, Azets (Item 9 only)**

**Apologies:**

**Jane Heppenstall  
Gordon Kerr  
Maureen Morris  
Michelle Harrow  
Mary Cawley**

**Committee Member  
Committee Member  
Chair  
Committee Member  
Casual 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 June 2024**

Committee approved the minutes of the committee meeting of 26 June 2024 a true and accurate record of the proceedings.

**Lauren Herd proposed and David Gebbie seconded the minutes of 26 June 2024.**

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

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

**6. Rent arrears update**

The Housing Manager noted as previously agreed by committee the Housing Team had taken on specialised role to tackle areas of performance with a strong focus on arrears recovery. He noted a significant improvement since the last reporting period with gross rent arrears for current and former tenants in line with the ARC reducing by £10,550.81 and current tenant arrears reducing by £15,941.75.

**Committee noted the rent arrears update.**

## 7. Homelessness and Allocation request.

The Housing Manager advised that Glasgow City Council was proposing a new local letting plan (LLP) that would allocate 67% of social housing lets to homeless households in 24/25. To noted the content of an email and letter from HSCP as attached at appendix 1. He recommended to the committee that we refuse the request and remain with 40% lets.

### **Resolution:**

**Committee noted the content of the email and letter from HSCP.**

**Committee approved the recommendation that we refuse the request and remain with 40% lets.**

**The recommendation to refuse the request from HSCP and to remain with 40% lets was proposed by Lauren Herd and seconded by Anna Dukova.**

## 8. Policy Review Report

The Housing and Maintenance manager presented the Decant, Leased Property, Recharge Repair and Void policies for consideration and approval.

It was noted that the decant policy was a new policy as there was not one in place. With a recent increase in the use of properties for decant this policy was introduced, the leased property policy was also a new policy as new leases are being signed with our leases. Both were introduced to safeguard the Association and provide clear guidance to the staff and our tenants.

The recharge repair policy and void management policy were re-written to incorporate changes to our new HomeMaster Housing Software and to implement changes to current practices to improve performance, efficiency and value for money.

The polices will be reviewed 3-yearly with the amendments being made as appropriate and communicated to all staff and relevant stakeholders.

### **Resolution:**

**Committee approved decant, leased property, recharge repair and void policies which were proposed by David Gebbie and seconded by Felix Flynn.**

## 9. Financial Statements, Audit and Related Returns

The Chair welcomed James McBride, Azets to the meeting.

James noted that the financial statements were in a consistent format with no significant changes to financial reporting. At page 41 of the report our strategic objectives and values etc. were noted to provide the reader with an understanding of our achievements during the year and the challenges ahead. He drew committees' attention to the statutory requirement to prepare a Statement of the Management Committee's Responsibilities, Page 48 noted the Statement of Internal Financial Controls and formal policies and procedures, which confirms that the management committee has reviewed the effectiveness of internal financial controls, as required by the Scottish Housing Regulator and confirms that there were no material weaknesses identified for the year ended 31 March 2024. Disclosure of Information to the auditor was noted at page 49, with pages 50– 55 confirming that the financial statements which showed a true and fair view of the financial performance and reflected the financial position in terms of the assets and liabilities of the Association.

Page 56 highlighted the key movements within the Statement of Comprehensive Income which reflected increased turnover from £4.1M last year to £4.3M, largely due to the rent increase. Our operating surplus increased from £3.5M to £3.6M due to inflationary pressures and pay rises, giving an operating surplus of £652K. There had been interest costs of £287K largely due to the interest on our loans and an overall surplus for the year of £402K against £395K in the prior year.

He took committee through and provided an explanation on the actuarial loss in respect of the pension scheme and the legacy liability when we were still members of the DP scheme. Total comprehensive income for the year was £309K.

The Statement of Financial position shows £3.1M in cash reserves. James noted that housing properties fell £26.7M to £26.4M during the year, resulting from a £426K investment in new components, £382K capitalised in respect of existing new build development plans and a £1.1M depreciation charge. He highlighted total creditors stand at £21.6M against £22.2M in the previous year, however. Bank loans had fallen by £286K, deferred Government Capital Grant has fallen by £173K Capital Grant which is grant funding received in the past to build new units and is held on the Statement of Financial position as a liability and released to income over the life of the asset.

He took committee through the Statement of Cash Flow generated from investing/ outflow activities and provided an explanation of the net cash position at year end.

He asked committee to note page 83 in respect of Notes to the Financial Statements. He advised of accounting changes where the prior year adjustment where negative goodwill had been recognised in respect of a historical second stage transfer. Current accounting guidance is that this is a "gain" on the recognition of the transfer of stock and should be recognised as a gain in the Statement of Comprehensive Income rather than a negative goodwill and an adjustment had been made on the prior year to amend this accounting treating and the negative goodwill had been credited to the revenue reserve.

James confirmed that the audit conclusion identified no issues affecting the Association's ability to continue as a going concern. 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 and the uncorrected misstatement which were not considered material at appendix 2.

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

### **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.

**Resolution:**

**Committee;**

**Considered and approved the annual financial statements for the year to 31 March 2024.**

**Considered the Audit Management Letter/Report from the external auditors in respect of their audit of financial statements to 31 March 2024.**

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

**Agreed 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 submit the FCA Annual Return by the specified deadline of 30 September 2024 once the Financial Statements have been approved.**

**Approved the annual return as attached to the report and subject to any final agreed amends to the financial statement is submitted to OSCR prior to 30 September 2024 by the Finance Manager.**

**Noted the covenant compliance certificates due to be submitted to the Royal Bank of Scotland and Virgin Bank.**

**The aforementioned resolutions were proposed by Anna Dukova and seconded by Felix Lynn.**

## **10 Management Accounts**

The Finance Manager presented the report to provide members with a comparison of the budget and actual financial position to 31 July 2024. He advised the Statement of Comprehensive Income showed a budgeted surplus for the period of £126,857, however the actual results to the period show a surplus of £190,921.

He noted an overall favourable variance of £64,064:

Operational activities – favourable variance of £93,880

Net interest and other activities – adverse variance of £29,816.

### **Expenditure:**

He advised an underspend of £24,298 in salaries against budget mainly due to sick pay costs and allowance for handover/acting up in relation to director/new director. He reported timing differences on new build development, repairs and maintenance noting and underspend of £121,462 against budget over all areas of maintenance and provided an explanation with regards the reactive/cyclical and the major and planned renewals programme.

There were no covenant compliance issues.

## **Resolution:**

**The Management accounts to 31 July 2024 were proposed by Lauren Herd and seconded by David Gebbie.**

### **11. Finance update**

The Finance Manager presented the report to provide an update on financial matters. He asked committee to note a change to the long term financial projection which highlighted a change in/correction to the loan repayment date for the loan of £4.473M. He stated that this does not undermine the ongoing long term viability of the Association however the Association will need to have a new loan facility in place to allow the loan to be repaid by April 2027.

He provided an explanation on the process of opening the notice account which has taken longer than anticipated. We are still awaiting confirmation that one of the accounts requested has been opened. We are however getting closer to resolving the issue and would hope to have the funds on deposit by the end of September. He asked committee to note, that this along with the impact on the recent reduction in the base rate will reduce the interest earned for the year. In order to assist with this, it is proposed to add the Finance Manager as an administrator to the Internet Banking System. A separate report applies.

The Finance Manager updated on additional reports that will be brought to committee during the year in relation to key assumptions to the budget for 25/26, rent affordability and value for money.

Committee noted the update on the 5 financial matters as set out at appendices 1-5.

### **12. Assets/Maintenance update**

The Maintenance Manager provided an update on the procurement of the windows/doors, kitchens and bathrooms as well as adaptations. Scoring of the SPD submissions will be carried out on 23/8/24.

We have received our allocation from GCC of £56,400 for adaptations however in the last year we have spent a total of £88,000. He asked committee to note the email at appendix 1 from GCC in relation to adaptations funding.

He advised that we are currently looking at the possibility of Solar PV on the office roof in conjunction with the energy supplier Utilita. A desk top exercise has been done and a site survey will take place next Monday. He noted that data from our current energy supplier and information from the desk top survey indicates that we would be using around 81% of the energy produced.

Committee noted the overview of the assets and maintenance activities.

### **13. Operational update**

#### **Director:**

Committee noted the main issues as outlined within the report.

#### **Housing & Customer Services Manager**

The Housing Manager advised that following on from feedback from Dorothy Bulmer and Investors in People it was proposed that a staff team building exercise be organised. He sought committee approval to close the office for a day and to organise the event. The budget for this would be approximately £1,500 which would be deducted from the staff training budget or covered by salary underspend. Staff will be consulted on the preferred format of the event.

**Committee approved organisation of the event and the proposed budget which was proposed by Lauren Herd and seconded by Felix Lynn.**

### **Assets & Maintenance Manager**

The Maintenance Manager advised that the new mower as discussed in the previous update had been ordered and we are awaiting delivery. A new site to dispose of green waste, hedge and grass cutting has been arranged. Costs are significantly lower than current GCC sites and we will not have to wait for time slot availability.

### **Community Activities**

Committee noted the update on community activities.

## **14. Virgin Bank Internet Banking Administrator**

The Finance Manager sought approval to add himself as a second corporate administrator to the Virgin Bank Internet banking system which would provide additional capacity and access to the system that permits approval of transfer of monies to third parties and other bank accounts of the Association. He asked committee to note the digital banking terms for business customers at appendix 1 of the report.

### **Resolution:**

**After due consider it was resolved that:**

- (i) The Amendments Form be approved;**
- (ii) The Bank be requested and authorised to make the changes detailed in the Amendments Form;**
- (iii) Any two Directors or a Director and the Company Secretary or (where there is only one Director and no Company Secretary) the sole Director be authorised to sign the Amendments Form on behalf of the company.**

**David Gebbie proposed and Anna Dukova seconded the aforementioned recommendations.**

## **15. AOCB**

The Governance Officer advised that there was a conflict of scheduled dates for Gordon Kerr to attend committee due to his own work commitments falling on the same date as Wellhouse HA's meeting. She sought committee approval from the committee for the schedule of meeting to fall on the last Thursday of each month rather than the Wednesday as from November 2024. There were no other conflict and committee agreed to the proposal.

**There were no other matters arising.**

**Meeting closed. Next meeting – AGM 25 September at 6pm**