

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD
ON 4 December AT 6PM**

1. Welcome, Sederunt & Apologies

Present:

**Maureen Morris
Anna Dukova
David Gebbie
Felix Lynn
Lauren Herd
Jane Heppenstall
Gordon Kerr**

**Chair
Committee Member
Committee Member
Committee Member
Committee Member
Committee Member
Committee**

In Attendance:

**Diane Hendry
Bill Black
Bruce West
Linda Logan
Christian Dassi**

**Director (Secretary)
Assets and Maintenance Manager
Finance and Corporate Services Manager
Minutes
Observer**

The Chair welcomed Christian Dassi, who would observe tonight's meeting. Introductions were made.

Apologies:

There were no apologies.

2. Jargon Buster

Noted for information.

3. Declarations of Interest

There were no declarations on interest.

4. Minute Committee Meeting 30 October 2024

The minute of the meeting held on 30 October 2024 was approved as a true and accurate record of the proceedings.

The Minutes of 30 October 2024 were proposed by Anna Dukova and seconded by Jane Heppenstall.

5. Matters arising and actions from the minute

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

6. Governance of Office Bearers

The Director reiterated discussions from the last committee meeting where members were encouraged to confer and elect office bearers. The sub-committee members, the Chairs and the Secretary had been agreed. She sought nominations for the position of Chair and Vice Chair.

The current Chair, Maureen Morris, offered to provide guidance and support to the new Chair.

David Gebbie indicated that he would be willing to stand as Chair.

Gordon Kerr indicated that he would be willing to stand as Vice-Chair.

Resolution:

Maureen Morris proposed, and Lauren Herd seconded that David Gebbie be nominated for the position of Chair.

Maureen Morris proposed, and David Gebbie seconded that Gordon Kerr be nominated for the position of Vice Chair.

David Gebbie (Chair) and Gordon Kerr (Vice-Chair) were duly elected.

7. Revised Code of Conduct

The Governance Officer advised that in October 2024 the SFHA Model Code of Conduct had been reviewed, she provided an update on the consultation process. She asked that the committee note that the Code will remain materially unchanged. An overview of the minor changes to the Code were reported in item 7.

Resolution:

Committee noted and accepted the revised Code of Conduct.

8. Mid-Year Budget Review

The Finance Manager presented the report to provide the committee with an update on the reforecast budget for 23/24. He highlighted the underspend in terms of staff costs and overheads, with income being close to budget, there were however increases in our net financing costs and the rental bad debts forecast. There were some increases and underspends in Repairs and Maintenance in the main due to an increase in void repairs of £17,000 and an increase of £50,000 for miscellaneous major repairs. A delay in the component replacement spend on kitchens and bathrooms was the main explanation for the underspend. There was significant headroom on interest cover on covenants in terms of meeting the interest cover requirement and no material change on the gearing covenant position. The cash position shows an improvement; however, we will be required to make an allowance in 25/26 budget for repairs and maintenance costs that will fall into the next financial year.

Gordon Kerr stated allowances for maternity pay and sickness was a bit of an unknown, he queried if the allocated budget would be sufficient. He also queried the increase in bad debt provision. The Finance Manager stated that allowances for maternity/sickness were based on year-to-date actuals, contingencies were in place should someone go on long term sick leave. He noted that the bad debt provision was an estimate however he was more comfortable allocating approx. 1 ½ % of our rental income being lost to bad debts.

David Gebbie queried the negative goodwill provision. The Finance Manager stated that this was stock that came to the Association as part of the second-stage transfer from GHA and had a negative value. As recommended by our Auditors, the negative goodwill was fully written out in the 23/24 accounts. There will be no provision for next year.

Resolution:

Committee noted the contents of the report and the expected revised surplus which was proposed by Goron Kerr and seconded by Anna Dukova.

9. First Draft Budget 25/26

The Finance Manager presented the report for consideration and the assumptions related thereto. He asked committee to bear in mind that these were assumptions and not actual costs and income. He noted the key issues that would impact on the budget would be the level of rental increase, which was reported under separate cover, the salaries pay award, which was dependent on EVH negotiations and the increase in employers NI contributions. In addition, an allowance had been made for repairs and maintenance works delayed in 24/25, which will need to be carried forward to the 25/26 budget. He asked committee to note paragraphs 629 and 640 which showed the impact of interest cover, the cash position for each of the different rent increases and pay awards. The report was for noting at this stage. Following the rent consultation, a more refined option will be brought to the committee consideration in January.

David Gebbie sought clarification on whether we could retire some of the required debts if we were not to develop at this time. The Finance Manager advised that he had touched on this in the long term financial projections, there was an option to repay some of the existing debts with some negotiation with the lending banks. Pre-payment penalties were discussed.

Resolution:

Committee:

Noted the draft budget proposals and options for 25/26.

Agreed to remit the budget to the Director and the Management Team for further development to be brought back to the committee meeting in January.

10. Management Accounts – 31 October 2024

The Finance Manager presented the report to provide members with a comparison of the budget and the actual financial position for 31 October 2024 as outlined within the report. He noted no covenant compliance issues at point 5.4

Resolution:

Committee approved the management accounts to 31 October 2024 which was proposed by David Gebbie and seconded by Gordon Kerr.

11. Draft Value for Money Review

The Finance Manager presented the revised Value for Money Review Policy, where key actions were summarised in sections 4.2 and 4.4., which he advised would help refine the policy in place and to make the reporting process more straightforward, by introducing the scorecard.

Resolution:

Committee approved the amended Value for Money Policy and the review which was proposed by Jane Heppenstall and seconded by Lauren Herd.

12. Review of Treasury Management Policy

The Finance Manager advised the review of the Treasury Management Policy, which had been presented to the Audit and Risk committee, had been proposed for approval. He noted that this is in line with the CIPFA Code with regards to good governance requirements.

Resolution:

Committee approved the Treasury Management policy, which was proposed by David Gebbie and seconded by Gordon Kerr.

13. Long Term Financial Projections

The Finance Manager highlighted that the report sets out a number of changes to the long-term financial projection assumptions, the impact and what that means in terms of financial viability. He asked committee to note the table at 5.1 which set out a comparison of the assumptions used in the projections approved in May 2024, with the current forecast of such assumptions.

The overall impact was reported at item 5.4 onwards. He asked committee to note that advice from business planning advisors was that there should be a 1.0% uplift on inflation for all repairs and maintenance costs for all years from 2031/32 through the long term financial projections which would create a number of issues in terms of viability. He advised that in financial terms that viability could be achieved by increasing rents by 0.5% above inflation plus 1.0% for as long as repair and maintenance costs were increasing by inflation plus 1.0%. In terms of the other general inflation and interest rate assumptions none of them had a significant adverse impact on financial projections. He noted that the Association still has a viable business plan and that it would be beneficial to take some advice and review our refinancing options.

Felix Lynn considered that if the rent increases were above the assumptions that there was the potential for an increase in rent arrears. The Finance Manager agreed that there was that risk, however these were long term financial assumptions and if we did not make a provision for repairs and maintenance, we would also run the risk of the housing stock not being at the required standard.

Resolution:

Committee:

Noted the changes to the long term financial projection assumptions, base costs/income and the potential impact of these along with the options to mitigate any issues set out in the report.

Approved the proposal to carry out review work into the options for refinancing the Associations existing borrowing and that a report of the outcome be brought back to the committee for consideration.

Anna Dukova proposed and Jane Heppenstall seconded the motion to carry out a review for refinancing options.

14. Window and Door Procurement.

The Maintenance Manager presented the report to update on the award of the contract to CR Smith Ltd, the financial implications and to seek approval to progress.

Resolution:

Committee approved the recommendation for expenditure of £343,282.80 + VAT be awarded to CR Smtih Ltd and to progress with the appointment of the contractors.

Lauren Herd proposed and David Gebbie seconded the recommendation.

15. Maintenance and Assets update

The Maintenance Manager advised that our current expenditure on adaptations was £25K, with a further £15K of work being allocated. As previously reported, consideration was still being given to installing Solar PV on the office roof in conjunction with Utilita. He advised that the Association had also been approached by Glasgow Community Energy and that a report on the way forward and recommendations would be brought to the committee following further discussions.

Committee noted the Assets update.

16. Rent Arrears update

The Director asked committee to note the positive trend in arrears recovery. She highlighted a reduction in gross rent arrears of £10,051.34 and the reduction in current tenant arrears of £30,820.29 a percentage drop from 8.37% to 8.11%. Former tenant arrears increased by £9,930.51. 212 (27%) tenants are in arrears, with 51% of tenants having a payment arrangement in place. There was a reduction in court cases previously reported from 16 to 11 this month.

Gordon Kerr asked if the commercial leased unit at Newhills Road had been offered reduced rental in its first year of operation. The Finance Manager advised that they had and were now paying the full rent for the unit.

Committee noted the rent arrears update.

17. KPI report – April/September 2024

The Director asked committee to note the decline in satisfaction indicators, with the consultant attributing this decline to the cost of living crisis. She advised that she had arranged a meeting with the consultant to discuss the methodology being used. She considered that the data collected was not giving us the information to take an in depth action programme and report to tenants. She will report back to committee.

Action: Committee discussed and supported the action plan and asked that a variety of communication methods be considered, timelines and what outcome we expect from the data collected.

Christian Dassi left the meeting at this time.

18. Operational Update

Housing & Customer Services Manager.

The Director report on behalf of the Housing Manager. She advised of Christmas events taking place in the Hub and invited the committee to attend the Christmas Fayre being held on Saturday 14th December between 12 – 3pm.

Anna Dukova sought clarification on the performance update which highlighted that 56 ASB cases had been reported and resolved. The Director explained the process of what resolves a case, in that action has been taken and an explanation provided to the person involved.

Assets and Maintenance Manager.

The Maintenance Manager advised that due to staff sickness the refresher training for PA1 and PA6 courses had been rearranged for next year. Feedback on the new lawn mowers had been very positive.

Committee noted the operational update.

19. Complaints and Compliments.

The Director provided an overview of the complaints position and the resolution performance.

Lauren Herd considered the 26 complaints for the period to be an exceptionally low number and not in line with the satisfaction results.

Action: Committee discussed and the Director suggested refresher complaints training. Further consideration will be given to complaints and what is being logged into the system.

Committee noted the contents of the report.

20. AOCB.

- The update from the Audit and Risk Committee was carried forward to the January Meeting.
- The Director advised that the Housing Managers job description had been reviewed. She will seek approval from the staffing committee to progress with recruitment.
- **Committee Recruitment.**

Christian thanked the committee for the opportunity to observe tonight's meeting. It was noted that Christian is a local resident and had met with the former Housing Manager, James Wilson, to discuss his application and to provide further information on the Governing Members remit and responsibilities.

Committee discussed and approved that Christian be co-opted to the committee should he still be willing following observation of tonight's meeting.

The Governance Officer, spoke to Christian on 9 December 2024. He confirmed that he was willing to be co-opted onto the committee.

Action: The Governance Officer will provide an induction pack and committee handbook to Christian and invite an elected committee member to be Christian's mentor.

Meeting closed 8:30pm. Next meeting – 29 January 2025 at 6pm.