

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD  
ON 29 January 2025 AT 6PM**

**1. Welcome, Sederunt & Apologies**

**Present:**

<b>David Gebbie</b>	<b>Chair</b>
<b>Maureen Morris</b>	<b>Committee Member</b>
<b>Anna Dukova</b>	<b>Committee Member</b>
<b>Felix Lynn</b>	<b>Committee Member</b>
<b>Christian Dassi</b>	<b>Co-optee</b>

**In Attendance:**

<b>Diane Hendry</b>	<b>Director (Secretary)</b>
<b>Bill Black</b>	<b>Assets and Maintenance Manager</b>
<b>Bruce West</b>	<b>Finance and Corporate Services Manager</b>
<b>Linda Logan</b>	<b>Minutes</b>
<b>Sean Devine</b>	<b>Observer</b>

**Apologies:**

<b>Jane Heppenstall</b>	<b>Committee Member</b>
<b>Gordon Kerr</b>	<b>Vice Chair</b>

The Chair welcomed Sean Devine, who would observe tonight's meeting.

**2. Jargon Buster**

Noted for information.

**3. Declarations of Interest**

There were no declarations on interest.

**4. Minute Committee Meeting 4 December 2024**

The minute of the meeting held on 4 December 2024 was approved as a true and accurate record of the proceedings.

**The Minute of 4 December 2024 were proposed by Anna Dukova and seconded by Maureen Morris.**

**5. Matters arising and actions from the minute**

The Director suggested that the action arising from June 2022 to report on rent arrears be closed as this item was reported at each committee meeting. Committee agreed that all other outstanding actions would be reported at each meeting. There were no other items that were not covered in subsequent agenda items.

**6. Draft 2 – 25/26 budget**

The Finance Manager presented the report for noting and for the committee to consider the implications and provide direction or input as outlined at 5.2 of the report, before the budget for 25/26 was finalised. At time of writing, the Association had consulted on 3.3 and 4.3% rental increases. The level of pay award is unknown and the renewal terms for insurance was still to be provided, a further 10% allowance had been made. Variable interest rates had been assumed at

4.5%. There were some major projects in assets and maintenance that were still under review and will take place before year end, so the split between 24/25 – 25/26 was uncertain at this time, however, would become clearer over the next 4 – 5 weeks. He stated that the key constraints of the draft budget for 25/26 was a shortfall compared to the interest covenant between £102,615 and £143,051 depending on the level of rent increase and pay award. He asked committee members to note points 5.6 – 5.8 which provided assumptions to reduce/close the shortfall. He stated that if the issues set out in 5.8 fail to fully close the shortfall, then the management committee would need to consider a range of other reductions in expenditure as advised at 5.9. An analysis of what would appear in our financial statements was provided at Appendices 1 – 4 and a detailed analysis of budget at appendix 5.

Anna Dukova sought clarification on whether the surpluses from 23/24, that were on short term deposit, could be used to meet these costs. The Finance Manager stated that the surplus could not be used to help with this position due to the constraints of interest covenants with the bank.

David Gebbie highlighted that there had been previous committee discussion on retiring some of the debt, which would reduce the interest payments, the 110% and potentially change the covenants to the investment part it. The Finance Manager agreed that this was a potential. He advised that we had appointed a treasury advisor who would be looking at our loan book, long term cash projections, current debt, covenants and advise on analysis options that sets out our risks, opportunities and options in relation to refinancing.

**Resolution:**

**The Committee:**

**Noted the draft budget for 2025 – 2026;**

**Instructed the Director and Finance manager to bring forward a final version of the budget for 25/26, which meets covenant and cash balance requirement to the committee meeting on 5 March 2026 reflecting any changes in the underlying budget assumptions, the agreed rent increase, an updated estimate on the pay and input provided by the management committee.**

**7. Management Accounts – 31 December 2024**

The Finance Manager presented the report to provide members with a comparison of the budget and the actual financial position for 31 December 2024 as outlined within the report. He advised the Statement of Comprehensive Income showed a budgeted surplus for the period of £283,200, however the actual results for the period show a surplus of £396,536.

He noted an overall favourable variance of £113,226 arising from:

Operational activities – favourable variance of £156,830  
Net interest and other activities – adverse variance of 43,494

**Income:**

He noted that income was close to budget with an apparent overspend in admin and management costs relating to costs associated with the new build development programme. It is hoped that HAG will be retrieved from Glasgow City Council.

**Expenditure:**

He advised an underspend of £19,884 in salaries against budget mainly due to sick pay costs. He reported a small underspend on repairs and maintenance in the main due to the small number of major projects on allowance for roof repairs and the wall repair at Bartiebeith Road, both of which will require to be carried forward to the 25/26 budget

There were no covenant compliance issues.

**Resolution:**

**Committee approved the management accounts for the period to 31 December 2024 which were proposed by Maureen Morris and seconded by Felix Lynn.**

**8. Value for Money Scorecard 23/24.**

The Finance Manager stated that the revised Money for Value policy as approved at the December committee meeting and on the basis that value for money was not a single thing to be achieved but rather a journey of doing things better in terms of satisfaction, performance and cost, with a view to identifying areas for improvement. He asked committee to note the Value for Money Scorecard at appendix 1 which had been prepared on the basis set out above. The scorecard uses the ARC return and the AFS return and assigns a red, amber and green assessment based on comparisons with other RSL's in the Easterhouse area. He proposed that the areas for improvement be considered as part of the business planning review process during 25/26.

**Resolution:****Committee.**

**Noted the value for money scorecard for 23/24.**

**Noted the areas for improvement in value for money that will be considered as part the business planning review process during 25/26.**

**9. Rent Arrears update.**

The Director asked the committee to note a small increase in rent arrears at the end of November, however this was offset by a decrease at the end of December. It was noted that we are currently in the migration to universal credit, which could adversely affect our rent arrears. She acknowledged the continued efforts of the housing team to reduce rent arrears. KPI's are positive and on track, however we did have 1 eviction at the end of January.

Committee discussed the recovery of former tenant rent arrears and the process to recover these arrears should a tenant move back into the area.

**Committee noted the rent arrears update.**

**10. Review of Rent Management Policy.**

The Director asked committee to note tenant satisfaction results as highlighted in the Value for Money scorecard. She stated that Wellhouse has historically had a higher than average level of rent arrears and restrictions had been put in place on planned maintenance where tenants had consistently failed to meet their rental obligations. However, exclusion from planned maintenance creates an ad hoc approach to component renewals which are difficult to manage in terms of planning schedules. She considered that the current policy creates barriers and adversely affects tenants who are struggling to make ends meet and the cost of living crisis.

The Director asked the committee if they agreed with the reviewed policy, which seeks to remove the wording “consistent nonpayment of rent” within section 1.1 and will not exclude tenants in rent arrears, from the kitchen and bathroom programme. She highlighted that evidence suggests that the policy restrictions did not reduce rent arrears, suggesting an inability to pay rather than an unwillingness.

Committee sought clarification on the number of kitchens and bathrooms which had not been completed. The Director advised that since 2020, 83 had not proceeded, 63 of these remain in rent arrears. It was noted that one of the conditions of financial institutions was to maintain properties with debt to a certain standard. Concern was raised that if we did not install the kitchens etc. that the condition of the property would be affected and could also create tensions and deemed as unfavorable treatment.

**Resolution:**

**Committee approved that the wording detailed in section 1.1 be removed from the Rent Management Policy, which was proposed by Felix Lynn and seconded by Maureen Morris.**

## **11. Kitchen, Bathroom & Adaptations**

The Maintenance Manager asked the committee to note the tender return for Kitchen, Bathrooms and Adaptations and sought approval for expenditure of £356,256.60 + VAT to Wright Kerr Ltd and £392,104.15 +VAT to CCG Ltd. He advised that a framework, which would be live for 4 years, had been set up, with the main contractors being Wright Kerr Ltd with CCG Ltd being a backup contractor should there be issues with the volume of work. He asked committee to note that our former contractor had not completed the forms correctly and had unfortunately been disqualified.

**Resolution:**

**Committee noted the tender return and approved expenditure of £356,256.60 + VAT to Wright Kerr Ltd and £392,104.15 +VAT to CCG Ltd, and to progress with appointment of the contractors.**

**Expenditure of £356,256.60 + VAT to Wright Kerr Ltd and £392,104.15 +VAT to CCG Ltd, was proposed by Anna Dukova and seconded by Maureen Morris.**

## **12. Operational Update Report.**

**Director:**

The Director reported it under separate cover.

**Housing and Customer Services Manager:**

All updates were provided in subsequent agenda items.

**Assets and Maintenance Manager:**

The Maintenance Manager advised that a pre-start meeting had been held with CR Smith for the window contract on 17<sup>th</sup> January 2025. A survey of the two pilot houses will be carried out next Tuesday.

**Community Activities:**

Committee noted the community update activities from Easthall Residents Association.

### **13. Use of Delated Authority.**

The Director advised that there were 3 uses of delegated authority since the last meeting, these being that the Chair/Vice Chair had agreed to closure for 1 extra hour for the Christmas lunch, for the Housing Managers post to be advertised and for all staff to work from home for the red alert storm damage, issued by the met office.

**Committee noted the update.**

### **14. Internal Audit Procurement.**

The Finance Manager advised that our current internal audit contract was with Wylie Bisset, which would end on 31<sup>st</sup> March 2025. He proposed that, if possible, we work in partnership with other RSL's within Easterhouse, to procure audit services. Assessment will be based on quality and price. He sought committee approval to progress with tender and discussions with other RSL's.

**Resolution:**

**The Committee approved the broad arrangements set out within the report which were proposed by Anna Dukova and seconded by Maureen Morris.**

### **15. Correspondence.**

The Director advised:

That a Webinar has been scheduled for 20<sup>th</sup> February 2025 for committee members, 6-7pm, EVH, which relates to the Changes to the Employment Rights Bill.

**Action: The Governance Officer will email the committee to assess their interest and bookings.**

**SFHA – Renewal of Membership:**

The Director advised that the fee for renewal was £9,753, a £281 increase from last year.

**EVH:**

There was also an invitation from EVH to renew our membership at £5,400, a 4% increase from last year.

She asked committee members to note that wage negotiations with EVH and the unions were underway, and she would advise as they progress.

The Director sought approval to renew these subscriptions.

**Resolution:**

**Committee approved the renewal of the SFHA and EVH subscriptions, which was proposed by Maureen Morris and seconded by Felix Lynn.**

### **16. AOCB.**

Committee noted the update from the Chair of the Audit and Risk Committee.

The Director reminded the committee of the Business Planning Day on 15 February 2025.

The Director advised that in discussion with the Chair, she will bring a revised schedule and programme of meetings to the next committee meeting for discussion and approval.

The Director noted committee appraisals were due by year end, she asked the committee if they were happy for us to approach Linda Ewart to ascertain her availability to complete the appraisals with the Chair. Maureen Morris provided an overview of the appraisals process for information.

The Maintenance Manager provided an update on summary reports received on Friday afternoon resulting from storm damage. Contractors attended over the weekend to complete repairs and staff completed a walk-about of the area on Monday morning. He reported no major damage. Damages will be collated and forwarded to our insurers.

Sean Devine left the meeting at this time.

**Meeting closed 8:00pm. Next meeting – 5 March 2025 at 6pm.**

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

Signed (Chair) .....

Date:.....