

MINUTES OF THE **VIRTUAL** MEETING OF THE COMMITTEE OF MANAGEMENT OF WHITEINCH AND SCOTSTOUN HOUSING ASSOCIATION LTD HELD AT 6.30PM ON WEDNESDAY 7th APRIL 2021

Present : C Watson (Chairperson)
C Ennemoser
L Stevenson
B MacDonald
R Hunter
A Bruce
D Keaveney

In attendance : I Morrison Chief Executive
K Szulc HR & Support Services Officer (Minutes)
A Reid Financial Services Manager
J Gordon Property Services Manager

1. **APOLOGIES**

L Mimmagh, R Carrigan and S Leighton who is on a leave of absence.

2. **ITEM 7 RESCHEDULED FROM 31ST MARCH 2021 MEETING – FINANCIAL PROJECTIONS**

The Financial Services Manager (FSM) asked if everyone had reviewed the papers and had any questions. A Committee Member said that the narrative was very comprehensive, but asked if the FSM had any concerns. The FSM said that he had no major concerns. In line with the Committee decision, there was no rent increase for 2021/22, but increases for the next four years were factored in and voids changed to 1.75% (usually kept at 1.5%, but spread over five years due to the model). Loss of income through voids is estimated at £600k over five years mostly in 2022/23. The only possible concern is the Major Repairs Programme - generally the biggest spend – hoping to start fully, but uncertain at the moment. The Property Services Manager (PSM) said that he is looking to start with a provisional date of 4/5/21 as a pilot scheme before full launch. A Committee Member asked where we are now versus where we were this time last year in terms of cash as the major repairs have not happened. The PSM said that the intention is not to squeeze into the original end date; the plan is still a five-year one, delayed by a year. If we can bring anything forward we would, but there is no intention to cram as it would be unmanageable. The FSM said that new boilers etc. had been factored in to reduce costs, but the programme is essentially starting this year at a cost of £11.8m. There may be some overruns or no access but tenancies can change and we would catch those properties at the end. The PSM said that due to Covid there is more concern from tenants, who may be anxious about having contractors in and we are mindful of this. Once restrictions are eased, it will be easier. A Committee Member said that for any no access situations, would they be picked up at tenancy change. The PSM said that is what happens now, if a tenant gives no access, any outstanding work would be picked up at void level. It was then asked if the agreed price with the contractor is fixed or might that vary due to social distancing additional costs. The PSM said that there should be no significant cost implications. The contractor has been working with other HA's and have managed to complete the work without much extra costs; it just needs to be managed properly. Things may take longer and may cost slightly more, but the hope is that any impact is not great. The PSM was asked for an update at the next meeting advising he would raise it at the next contractor meeting and feed back to Committee.

The FSM said that last year a Committee Member had asked about Balance Sheet/ Comprehensive Income after capitalisation. He has used the figure and average of 5.33% depreciation for five years operating basis before capital, showing a £7.2m loss planned. However, once capitalised this shows a £1.4m surplus over five years. The cash position looks favourable, with no long or short-term borrowing. Projections do not allow for development work because while we are seeking to progress the Northinch Street site there is no value in forecasting this, as we do not know the cost of the development or grant or targeted income at this time. If we progress, a forecast showing development for break-even points would be produced, aligned to five-year forecast that would have to be agreed by Committee, Regulator and Lender. A discussion then took place regarding the ownership of the site and it was noted that a recognised developer such as CCG was likely to instil more confidence in the Council.

It was then asked if there were likely to be any more opportunities to purchase individual properties. The FSM said that if a property presented itself and it was in our interest to purchase, we were unlikely to do so unless there was funding available, so there were no such assumptions in the figures. The PSM said that there was no funding available for one-off acquisitions currently and Ian Morrison said that we do keep an eye and it was possible that DRS might fund around October time, so if any money comes available around then, we could take advantage of it.

A Committee Member referred to the appendix, which stated £65k for communal boilers and heat pumps. The PSM said no decision had been made whether to replace like-for-like or not, but that all options could be considered for the flats in question. If funding is available it is an option that should not be ruled out, but it is not in the budget until 2022/23, and will be subject to a feasibility check for Committee to consider. It was suggested that the initial cost, offset with grants and environmental benefits would provide savings to tenants with £65k queried as a large amount for new builds. Ian Morrison said that he understood it was highly disruptive. The PSM said that it depends on the dig and pipes, ground and air source. He could look at feasibility for tech and if grants available, but not the same funding would be available as in previous years. Another Committee Member asked about high-rise sprinklers and were there costs that we did not know about. The PSM said that it is unknown now, as this legislation keeps getting pushed back. The Committee Member said it was great to be doing everything that we are doing with a rent freeze, but recognised we cannot keep freezing rents going forward. Ian Morrison said that the delay in works due to Covid allowed this rent freeze and could only be done by balancing one against the other. There were no further questions and the budget was approved by A Bruce and seconded by C Ennemoser.

The meeting ended and the Chair thanked everyone for attending this extra meeting.