

MINUTES OF THE MEETING OF THE COMMITTEE OF MANAGEMENT OF WHITEINCH AND SCOTSTOUN HOUSING ASSOCIATION LTD HELD AT 7.00PM ON WEDNESDAY 27th MARCH 2024 at WSHA OFFICES

Present: L Stevenson (Chairperson)
J Carmichael
J Haughey
L Mimmagh
R Hunter
G Johnstone
D Keaveney

In Attendance: J Ward Chief Executive
A Reid Director of Finance & ICT
P Latham Director of Corporate Services
K Szulc Corporate Services Manager
L Irving Housing & Community Services Manager
R Clegg Interim Director of Property Services
C Goodall Decision Time (via zoom)

2. **DECISION TIME**

Caroline Goodall, Decision Time joined the meeting via Zoom to present the Committee Paper's element of Decision Time to Committee.

3. **APOLOGIES**

Apologies were received in advance from C Ennemoser, S Shone & J Gordon. M Burke & L Reid McConnell were absent.

4. **CHAIRPERSON'S REMARKS/COMMITTEE – STAFF NEWS**

The Chair welcomed ██████ to his first Committee Meeting. There was no staff news.

5. **DECLARATIONS OF INTEREST**

The EVH salary ballot would be discussed at end of meeting after all staff left meeting.

6. **MINUTES OF THE PREVIOUS MEETINGS**

The minutes of the meeting on 28th February 2024 were **APPROVED** by L Mimmagh and **seconded** by J Carmichael.

7. **MATTERS ARISING**

None

8. **WSHA FINANCIAL BUDGET 2024-25**

The financial forecast included a rent increase of 5.5% for 2024/25 and for the next 4 years, this forecast is based on our current investment programme and recent years where below inflationary rent increases and rent freezes have had an impact on our income projections required to sustain our investment in our properties.

- Rental income £7m, with 5 year showing as £39m.
- Voids costs are down but the projections will be held at the same level until we establish if this is an established trend.

- Maintenance costs based on the information we have on recent performance.
- Property insurance was £460k last year and our broker has advised of a forecasted increase of approximately 1% this year. The number of insurers in the marketplace has reduced significantly and our former insurers Aviva pulled out of the market last year. Our current insurers are Allied Worldwide. They have reviewed claims and believe that we have proved through their analysis that they can stabilise the premium this year. This has been reinforced by WSHA using the RICS valuation tool used as part of the recent stock condition survey. The insurance broker service will be tendered next year and details like excesses will be reviewed.
- The budget forecasts operating costs of £11.2m x 5 years = approx. £47m.
- Deficit of £2.3m, (£8m over 5 years) giving a bottom line of £4m, £3.2m, £620k, £60k for years 1-4 respectively and a surplus of £285k in year 5.
- 80% major renewal costs would be capitalised.
- The existing Major renewals programme (kitchens/bathrooms) will be continuing this year and next. The forecasted expenditure will be constantly under review as it is optimistic that full projection on investment in properties will be spent in the next 2 years.
- Building on the recent stock condition survey information, a full review of all component replacements from 2010 will be undertaken. This will allow us to reprofile our scheduled investment programme with a view to implementing from the revised 30-year investment plan from 2027/28. This reprofiling exercise will also look at replacement lifecycles to identify where efficiencies can be made to improve the financial forecasting within the 5-, 10- and 30-year financial forecasts. The Property Services team were commended on the work they had put into this.
- There is a separation of cyclical costs/works from major costs/works to spread it more evenly, allowing us to ensure that legislative works are completed over 5 years.
- Cash flow is mostly rental income and 60-63% comes from housing benefit.
- Cash is important and we have £6m in the bank currently. £6.2m cash in bank, less £3.2m spend leaves balance of £3m, carry forward of £2.2m spend leaves £662k.
- The Director of Finance & IT (DF) doesn't think the balance will drop to £662k, our treasury management position is to retain a minimum of £1m in cash.
- If housing benefit and universal credit income falls, this would be a major issue as it accounts for over 60% income. £1m is always ringfenced to the side to allow the running of the organisation for 4-6 months.
- Cash in bank will be watched closely for the next 2 years, but it is better to forecast so it is on the radar.
- There was a brief explanation/discussion about reserves on paper against cash in bank.
- The DF reassured Committee that this was a worst-case scenario and the Chief Executive (CE) reassured Committee that costs would be reprofiled to ensure that this doesn't happen.
- The CE explained that a lot of costs were spread over 30 years, but with new service level agreements, the costs can be divided up proactively within programmes over the years. Overheads should reduce by £600k over the next 5 after this due to streamlining of operational costs and efficiencies identified.
- Thanks were passed to the finance team for the work they have put into the accounts.

- The valuation of the properties exceeds the covenant requirements by 264%, and interest of 443% versus required 133%.
- We have reduced charges against our properties from £8m to £2.6m (59 properties) and are hoping to reduce that further as our outstanding loan balance is £1m. This is significant step forward positive for WSHA and the Committee should be reassured by this progress.
- The financial budget for 2024-25 was **APPROVED** by **J Haughey** and **seconded** by **G Johnstone**.

9. **POLICIES FOR APPROVAL**

None.

10. **TENANCY MATTERS: FORMER TENANT ARREARS WRITE OFFS**

The proposed write off is £24k. All cases have been pursued but all avenues for collection have been exhausted and the majority of the balances are not recoverable mainly due to loss of contact and information to allow any further action to be considered.

The former tenant arrears write off totalling £24k was **APPROVED** by **L Mimmagh** and **seconded** by **J Haughey**.

Committee asked for clarification on the costs of legal action for an eviction. Housing & Community Services Manager (HCSM) confirmed everything has been done to support case 460. The HCSM advised on average for a straight forward case legal costs would be in the region of £2,000. Implementation of the decree in respect of case 460 was **approved** by **J Haughey** and **seconded** by **L Mimmagh**.

11. **CEO UPDATE REPORT**

Several documents (11.1, 11.2, 11.4) were emailed to Committee prior to meeting due to the size and to provide the opportunity to consider in advance of the meeting. In the future our move to Decision Time will help with access to an information library being available to all Committee members to access information at any time to support their roles as committee members.

Committee of Management Recruitment – one candidate has a conflict of interest, but 6 new Committee Members will attend April's introductory meeting where only small business will be covered. None of the new members are tenants but they bring a wide range of skills and knowledge to support the WSHA Committee. Tenant representation is important, and with our existing committee members we now have a good balance.

SHR Engagement Plan 2024-25 – we are fully compliant for next year, so no engagement is planned. Committee and Staff were thanked for their work.

A Committee Member thanked WSES. Their work makes tenants and owners lives easier, they are polite and nice.

Community Projects Fund – at 16/3/24 there were over 4000 votes. Online voting worked well. There are 11 projects with £14k of funding distributed to organisations. This is £2.5k higher than we originally budgeted for but we had under spend on the overall budget and were able to provide additional funding on the day to fully fund all projects.

It's the first time the Community Projects Fund has been run and it's important to engage as much as possible in projects. The Community Advisory Group will support the ongoing evaluation of the funded projects across the next 12 months and be part of shaping next years investments. It's a positive step forward in our objective to support our local community and tenants.

12. **CORPORATE SERVICES UPDATE**

It was proposed that going forward, items that are approved by consensus will be minuted as eg "The Policy was approved by Committee", rather than approver and seconder. This was **approved by L Mimmagh** and **seconded by R Hunter**. In a move to go paperless, all historical and future signed minutes would be stored electronically, and paper copies securely destroyed. This was **approved by L Mimmagh** and **seconded by R Hunter**.

13. **ANY OTHER BUSINESS**

None.

14. **DATE AND TIME OF NEXT MEETING**

WSHA Committee Meeting: **24th April 2024**