

## MINUTES OF WESLO BOARD MEETING NO. 185



9 March 2011

Present	Mike Bruce	Chief Executive
	Mike Crozier	Operations Director
	Douglas Drummond	Finance Director
	Margaret McIntyre	Community Director
	John Spraggon	Community Director (Chair)
	Eileen Stirling	Tenant Director
	Janette Wallace	Tenant Director
	Hugh Ruck	Tenant Director
	Cllr Ann Ritchie	Falkirk Council

In attendance: Anne Arnott Executive Assistant

The Chairman opened the meeting by welcoming everyone and introduced Linda Kesson, Housing Support Officer, who was staff observer.

### **ITEM**

### **ACTION**

1 **APOLOGIES**  
Apologies were received from Peter Robson and Alex Bow. It was noted that Frank Anderson, although not present, had not given apologies.

2 **DECLARATION OF INTEREST**  
Ann Ritchie noted she was an elected member of Falkirk District Council.

3 **MINUTES OF PREVIOUS MEETING**  
A replacement page 7 of the Minutes of 2 February was circulated. The Chief Executive reported that, in relation to item 4, page 1, Planned Maintenance Programme 2011/12 Tenant Feedback Contract W10/008, 88% of tenants surveyed, from a survey base of 46% were satisfied with the service received. This result completed the 2010 Programme of Tenant Feedback and presented a very positive picture.

The minutes of Board Meeting No. 184 were reviewed and Janette Wallace proposed them as an accurate record of the meeting. Margaret McIntyre seconded this and the minutes were approved and signed by the Chairman.

4 **MATTERS ARISING**  
There were no matters arising.

5 **RISK REGISTER UPDATE**  
The Finance Director introduced the paper, which had been prepared as a result of the recommendation proposed by our Internal Auditors in the February 2010 Governance Report, namely that the Risk Register should be updated throughout the year rather than annually as had been done in the past. This was the first quarterly report of 2011/12.

The Finance Director noted that the changes reported were minor and gave the background as follows:-

**ITEM****ACTION**

- 1.1 Interest Rate Fluctuations: Likelihood of occurrence changed from medium to high. All indications are that base rate will increase over the coming period. Social Housing magazine has given an indication that this could be in the region of 1.5% by the end of the year.
- 1.7 Negative Inflation: Likelihood of occurrence changed from medium to low. Indications are that the RPI could increase to 6% over the coming period.
- 1.11 Taxation Changes: Target date for completion of financial projections for business plan changed from February 2011 to March 2011.
- 2.1 Injury to staff: Under proposed actions the introduction of the Lone Worker Project is presently under consideration for action.
- 3.1 RSL Status being withdrawn : Under proposed actions amended to reflect action plan now agreed with the Scottish Housing Regulator.
- 5.3 Change in Right to Buy legislation: Under impact on business changed from high to medium as full update on this had been given at the November 2010 Board.
- 7.2 This item should be number 6.3: Lack of investment in systems : Under proposed actions add in eSquiggles project and delete Openscape which has been implemented.

The Board agreed the report was very detailed, a good report and was easy to read now that changes had been marked in red.

The Board noted the contents of the report and approval of the action points was proposed by Margaret McIntyre and seconded by Janette Wallace.

**6 RE-ARRANGING DATE OF JUNE BOARD MEETING**

Due to his oversight, the Chief Executive noted that he and the Operations Director would both now be unavailable on 8 June and requested Board to delay the meeting by one week, to 15 June. The Board agreed, although it was noted that Eileen Stirling would be unavailable on this date.

**7 BOARD EFFECTIVENESS REVIEW**

The Chief Executive introduced the paper which had been prepared as the result of a recommendation by the Scottish Housing Regulator that this Board undergo an annual performance evaluation. It was noted that other housing organisations, in the main, do not undertake Board performance evaluations but that nonetheless, this had been a useful exercise in the foundation of the Board's analysis and performance and its engagement with staff.

Following the Board's agreement at their November meeting to the proposal presented by Paul Foley of Kynesis, each Director, with the exception of Councillor Ann Ritchie, a new Director and Councillor Frank Anderson, took part in the post-Board Evaluation event hosted by Mr Foley.

The report on this event, prepared by Kynesis, had been circulated to Directors for their consideration and during a general discussion, the following was noted:-

**ITEM****ACTION**

- 1 Page 3: the Chair noted the very positive comments in the report. It was further noted that each Executive Director had received very good feedback in relation to their engagement with the Board.
- 2 Page 5: is there a need to clarify strategy for internal and external use? It was noted by a member that this could be a weakness.
- 3 Page 6: paragraph 3: the Chief Executive noted that leading the Executive team is key for the Board. The Board provide the challenge and the Executive team supply information which is robust and challenging. It was noted by a Director that it would be useful to see more of what's going on in the area of policy direction. It was agreed it was appropriate for new policies to be presented to the Board for approval but minor changes to existing policies to be approved at Executive team level. Any fundamental change in a policy would return to the Board for approval. It was noted that the Tenant Participation Committee are consulted on changes to existing policies and on new policies before they are approved.
- 4 Page 7: Is the role of local Councillors on the Board sustainable and practical? This is still under discussion. It may not be practical to continue having local councillors on the Board for a variety of reasons. The Chief Executive has already been instructed to provide a report to the Board in due course on the concept of Councillor attendees at this Board.
- 5 Page 7: Would the Board benefit from a better understanding of Directors' expertise and experience? The Operations Director noted that it had been agreed this would be developed and shared.
- 6 Page 8: Does the Board want to define and promote the values that describe the culture that Weslo has and/or wants to build? The Chief Executive noted this was about how we define and promote our values to the media. The Operations Director is progressing and developing a draft of the company's values and he will be taking soundings from staff. It was noted that even though the company's values are not written down, empirical experience has demonstrated that the ethos of the organisation is well known and respected in the community.  
  
Janette Wallace noted that throughout her years dealing with the company's receptionist staff her experience had always been positive. It was noted that a report on Scottish Homes outlined how matters had moved on over the years in housing.
- 7 Page 9: Would Directors find it useful to review the data they receive and how they use it? This is already in progress, for example highlighting changes to the Risk Register in red for ease of reading. Additionally, the report on arrears has been reworked and is now much clearer.
- 8 Page 11: Tenants. The Chief Executive noted it would not be appropriate for the company to hold an AGM on a different day to a Board meeting. The AGM is not about attracting more tenants to an AGM but a meeting for members to discuss business in the normal manner of a company. The comment seemed to rely on

**ITEM****ACTION**

experience of the practice of Housing Associations, who are thought to maximise tenant attendance at AGMs. This is not legally competent for an organisation.

- 9 Page 11: Staff. The Chief Executive advised that our company awayday on 6 September this year would be extended to include Board members. There was no adverse reaction from staff to Board members attending. It was noted that the Tenants Participation Group had recently spent time with staff and the Chief Executive thought a Board tour of Weslo properties, in the Spring or Summer of 2011, would be appropriate.

**CE**

- 10 Page 12: The Chief Executive noted that the draft Business Plan 2011/12 will be circulated at least one week prior to the April Board and sooner if time allows.

Board members agreed to posting of their profiles and photographs on a page entitled "Meet the Board" on the company website. This would consist of photographs and short biographies.

**CE**

The Annual Report would be ready in July. The Chief Executive would make arrangements for a Board group photograph to be taken at the April meeting.

The Operations Director would canvas staff on the option of meeting one-to-one with Board Directors. Janette Wallace, Eileen Stirling and John Spraggon indicated a willingness to meet with staff. Alex Bow, as proposer of this suggestion, would likely also be willing.

**OD****CE/OD**

The Chief Executive and the Operations Director would progress the above items and report to the Board on an ad hoc basis.

The Board noted the contents of the final report and agreed that the topic of Board evaluation be included as an agenda item and integrated into the Board annual cycle.

**8 COVENANT REVIEW**

The Finance Director introduced the paper, which was prepared following the Regulator's identification of an anomaly. The Regulator's report at 5.22 stated "Weslo regularly provides financial information to its lender as part of its covenant obligations. Our review of these returns highlighted an inconsistency in the method of calculating the interest cover ratio. Whilst Weslo follows the covenant requested by its lender, it should address this anomaly as it constitutes a risk".

The Finance Director reported that negotiations on this matter had commenced in July 2010. The first two proposals by Dunfermline Building Society had been unacceptable but after lengthy discussions, the recent proposal, for the company to pay a fee of £25,000 plus legal costs of £2,173.75 had been recently been accepted and both parties had signed legal agreements to this effect.

It was suggested that the company might explore the possibility of borrowing money from banks and building societies who do not pay bonuses. Further, at the very least, we should be able to express our dissatisfaction with this situation to our lenders. The Chief Executive

**ITEM****ACTION**

noted that the company need to consider the agreement which is best, financially, for the company.

The Board noted the paper, which would be sent to the Regulator for information.

**FD****9** **COMPASSIONATE RENT LOSS**

The Operations Director introduced the paper, which was prepared following discussion at its meeting on 2 February of rent loss following the death of a tenant and where the Board agreed that the company should incorporate a procedure to treat such rent lost as 'compassionate' rather than 'void.

After such adjustments are made, there will be a significant reduction in the figure for rent lost on voids which will be positively reflected in the KPI. The figure for 2010/11 was in the region of £3k.

The Board noted the contents and agreed the proposal that such rent loss will not, in future, be included in the void rent loss report submitted to the Board.

**10** **OPAP REVIEW**

The Operations Director introduced the paper which had been prepared to summarise progress throughout the project, which closed at 31 March. The report recommended that the company express interest in continuing involvement with the project. It was noted the company are not committing to any payment by expressing interest but that a fee would likely be payable if we did join for the coming year.

It was confirmed that the names and address of those tenants reaching 60 in the coming year will be submitted to OPAP.

Eileen Stirling, who had some knowledge of OPAS, would try and determine whether any Weslo tenants take advantage of this service.

**ES**

The Chair noted that outcomes for the company had been positive and, after a general discussion, the Board agreed to express our interest in continuing with the Project for the coming year.

**OD****11(a)** **DIRECTORS REPORTS**

The Chief Executive issued his report and the following was noted:-

1 Item 3: the Community Budget Committee last met on 3 February and notional sum savings at £13,644.09 continue to outstrip expenditure for the financial year to date which stands at £8,852.49.

2 Item 4: Discussions continue in relation to the proposed purchase of a block of flats at Westgate Towers (which is in Bathgate, not Falkirk, as stated in the report). The Government timetable for bidding for grants has only just been issued and for the purposes of this project, a bid is required by May, therefore timing issues in relation to the purchase, continue to be negotiated.

**ITEM****ACTION**

It was noted that the Scottish Government will evaluate project bids between July and August.

3 Item 4: the Chief Executive and Finance Director have had meetings with various parties, some more productive than others, in relation to the various sites and initiatives.

4 Item 21: after attending Livingston Sheriff Court in connection with an arrears case, the Chief Executive, together with the Housing Manager, agreed that it would be useful training for Housing Officers to attend Court to hear these types of cases at first hand. The Housing Manager is arranging for all Housing Officers and support staff to spend half a day at Court before the year's end.

5 Item 26: the Chief Executive asked the Board to note that the Executive and Management Team had met to discuss 'Homes Fit for the 21<sup>st</sup> Century: The Scottish Government's Strategy and Action Plan for Housing in the Next Decade: 2011-2020.

**HM****11(b) Finance Director**

1 The Finance Director presented his report and the following was noted:

- Year end figures are not yet complete, with some accruals still to be reported but show a projected year end surplus of £2,494,000. It was noted that cash in bank at the year end will show a reduced figure due to a timing issue for Mortgage to Rent draw downs from funder.
- Receipt values in relation to Right to Buy have increased. The company took a cautious view during the year and having budgeted for six, eight were received.
- There is a likelihood that we will need to reduce the estimated spend for the past year on jobbing repairs. There was an underspend this year, mainly due to using in-house services.
- The HAG3 grants are down on profile as demand continues to fall short of our original estimate. Spend last year was £130k. Grant funding in this area is under threat but it is likely that demand will increase.
- Forecast outturn for IT systems costs has been increased to £147,000 due to the early purchase of hardware, software and consultancy work for eSquiggles.

The Board noted the healthy surplus at the year end.

2 The Board noted that the Finance Director may bring a paper to the April Board meeting requesting agreement for an additional member of staff, in the role of Owners Liaison Officer, to process and manage recoveries from owner occupiers. This member of staff would liaise between housing/technical/finance departments to provide a joined up approach to this work.

**FD**

**ITEM****ACTION**

3 No appointment was made following the recent interviews for the post of Finance Manager. The position will be re-advertised.

4 The Board noted that the ICT Manager post has grown substantially since the appointment of Kevin Cairns to the post. Consideration is being given to creating an additional post, to support the ICT Manager, to allow him to work at a higher level. This will come to the Board for approval in due course.

**FD**

5 At the request of the Board, the Operations Director gave an update on the current situation in relation to Bathroom upgrades. This project does not sit in the Planned Maintenance Programme, but is being progressed by a smaller working group consisting of the Operations Director, Technical Unit Manager and Housing Manager, who are exploring ideas on how to take things forward. The Technical Unit Manager is drawing up a detailed specification and the Housing Manager will be reporting to the Tenants Participation Committee in due course.

The Chief Executive noted that the request for a planned programme of bathroom upgrades was highlighted in the tenant survey and shows good tenant participation in action.

**11(c) Operations Director**

1 The Operations Director presented his report and the following was noted.

2 Seventeen MTRs were completed during the year 2010/11.

3 Quotes are being sought from trainers to provide refresher training to Board members and staff, as highlighted through the improvement plan. A training needs analysis will also be developed for Board members. The Board will receive a paper at its June meeting.

**OD**

4 Gregor Colville, who joined as a graduate trainee and has worked in various roles, will be taking up a six month appointment, working for the Technical Unit Manager, gathering information on joblines and timesheets for the eSquiggles project. An end result of the project will mean that the company will have an internal schedule of rates, coded, timed and costed, allowing information to be analysed in a better way than is presently done.

5 Arrears at the end of January were £127k, a decrease from £131k at the end of December. The comparable figure for the same period last year was £133k. This shows a reduction on both month and previous year. The year end figures will be reported on further at the meeting of the Board on 29 April.

**OD**

6 The February figure for average rent loss per void is 230. The comparable figure for the same period last year was 291. This figure includes the 'compassionate loss' adjustment. It was agreed the adjustment would be made in next year's report, but for the annual report figure, the compassionate rent loss will be deducted.

Much work has gone in to reducing the rent loss, where figures for 2010/11 are down on those for 2009/10. There have been less voids but a substantial reduction in cash lost. A Tenancies Terminated Report will be presented at the meeting of the April Board.

**OD**

**ITEM****ACTION**

The Chief Executive would ask the Chairman to draw attention to the new 'compassionate loss' policy and the resulting reduction in rent loss on voids in his report in the Annual Report.

**CE**

- 7 2010/11 Reactive Maintenance costs are still showing a substantial underspend. The year end figure is not yet available. By use of monthly reports, tighter controls have been exercised over work undertaken by contractors. This will be further reported on at the April Board.

**OD**

- 8 It was noted that the company failed to meet the response time in 38 damaged gutter cases. This was due to a breakdown in communication between the company and tenants, which has now been addressed. Each tenant received £15.00 repair compensation payment. No RTR compensation payments were made in the period.

Thirty three per cent of RB cards were returned. This process is being reviewed in order to establish the best way of progressing these.

12 **Any Other Current Business**

12.1 **Scotland's Best Workplace Awards 2011**

The Chief Executive circulated an email providing information on the above Awards. The application process, completed by the Executive team and Alison Dunsmore, had been carried out in three stages i) staff survey, ii) completion of a corporate questionnaire iii) completion of an additional questionnaire on the company ethos and community initiatives carried out by the company. As a result, the company had been identified as one of the top 25 best places to work and the Chief Executive, Chair and other members of staff would be attending the Awards event on 31 March in Glasgow to hear the results. The company have also taken a full page advertisement in the Herald Supplement, to be published on 1 April and the Operations Director is being interviewed for a profile article which will also be in the Herald Supplement.

The Board noted that 18 responses had been received to the Chief Executive's invitation for volunteers from staff to attend and agreed that funding of a further table at the event should be met from the Community Budget, to allow everyone who wished to attend to go.

The Chief Executive would email staff to advise them.

**CE**

12.2 **Holyrood Article**

The Chief Executive circulated a copy of the article which would be printed in the forthcoming Housing Supplement of Holyrood Magazine and placed in delegate packs at the forthcoming CIH conference, reaching 1000+ professionals. The article is embargoed until then. The Chief Executive advised that an additional page, consisting of approximately 600 words will be available to the company in the end of May edition. The Executive Team will consider the most appropriate content for this article.

12.3 **Board attendance**

The Chief Executive drew the Board's attention to a letter written by the Chairman on 10 February to Councillor Frank Anderson in connection with his Board attendance.

**ITEM**

**ACTION**

Councillor Anderson's last absence, on 2 February, brought his total absence from Board meetings to over six months and the company are required to consider his position in regard to Clause 59 of the company's Articles of Association, which states: *(Disqualification and Removal of Directors) (ii) which requires that a Director shall vacate office if he is absent for a period of more than 6 months (without permission of the Directors).* Councillor Anderson was asked to respond but to date, no response has been received.

It was noted that no formal apologies had been received from Councillor Anderson for this meeting and that he was not in attendance.

The Board agreed that the Chief Executive should contact Councillor Anderson to discuss the situation and seek clarification of his intentions.

**CE**

13 The meeting closed at 12.00.

14 **Date of Next Meeting**  
27 April, 2011, at 10.00 am at our offices in Bathgate.

**All to note**

Signed..... Date .....