

MINUTES OF THE MEETING OF WESLO HOUSING MANAGEMENT BOARD – NO. 191

**HELD ON 23RD NOVEMBER AT 10.00 AM
AT 66 NORTH BRIDGE STREET, BATHGATE**

Present:

Peter Robson	Chair
Cllr Frank Anderson	West Lothian Council Representative
Alex Bow	Tenant Director
Mike Bruce	Chief Executive
Mike Crozier	Operations Director
Douglas Drummond	Finance Director
Margaret McIntyre	Community Director
Eileen Porter	Tenant Director
Cllr Ann Ritchie	Falkirk Council Representative
Hugh Ruck	Tenant Director
John Spraggon	Community Director
Janette Wallace	Tenant Director

In attendance: Anne Arnott Executive Assistant (Minutes)
Gillian McAllister Assistant Housing Manager, Staff Observer

The Chairman opened the meeting by welcoming everyone and introduced Gillian McAllister, Assistant Housing Manager, Staff Observer for this meeting.

		ACTION
1	APOLOGIES	
2	DECLARATION OF INTEREST Cllr. Anderson declared himself a non-pecuniary member of West Lothian Council. Cllr. Ritchie declared herself a non-pecuniary member of Falkirk Council.	
3	MINUTES OF PREVIOUS MEETING The Minutes of Board Meeting number 190 were reviewed and approved by John Spraggon and seconded by Janette Wallace.	
4	MATTERS ARISING There were no matters arising.	

5	<p>NEW SCOTTISH HOUSING REGULATOR CONSULTATION DOCUMENT – WESLO’S RESPONSE</p> <p>The Chief Executive presented the company’s response to the Regulator’s Consultation document and referred Board Members to his request, made at the 12 October Board meeting, to provide him with comments on the document. He thanked Board members for their input and noted that this input and those of colleagues had been considered when drafting the response, which was item 5 on the revised agenda.</p> <p>The Chief Executive introduced a number of key points for further discussion, as follows:-</p> <ol style="list-style-type: none"> <i>1. The Regulator will require RSLs to ensure their constitutions have specified maximum terms of three years, for individual (non-executive) governing body members, normally subject to a maximum continuous period of governing body service of six years.</i> <p>The Chief Executive noted that this suggestion from the regulator has provoked a dynamic response within the housing sector. However, he noted that the ruling will not take effect retrospectively and will not affect anyone on this company’s board until April 2021. Board members discussed and agreed with the response which proposed, as a preferred option, regular evaluation of board skills and effectiveness, both individually and collectively.</p> <ol style="list-style-type: none"> <i>2. The RSL sector has been subject to legislation which has explicitly restricted the payments and benefits which governing body members and employees could receive. The Act does not legislate about payments and benefits so broadly, it will be for each RSL to decide if, and how, it wants to manage payments and benefits to its governing body members, staff, and their close relatives.</i> <p>The Chief Executive reminded the Board of previous discussions on this issue where the Board had agreed not to make any changes to its own position on this which was against, in principle, payments to Board members, with the possible exception of the Chairman in recognition of his additional duties, (and of course for the Executive Team which, uniquely in Scotland, sit on Weslo’s board as ex-officio members. The Chief Executive noted that this suggestion by the Regulator opens the door to individual RSL’s to make payments to Board members, within the bounds of the requirements of the charity laws regulating such payments. Our response supports the shift towards RSL’s deciding for themselves their policy on this matter. He noted that this Board will discuss the matter further after April 2012 when the final position of the Regulator will be confirmed.</p> <ol style="list-style-type: none"> <i>3. The Act places a duty on us to perform our functions in a way that reflects best practice in regulation. The principles set out below will underpin the way we regulate: Independence – making sure we exercise regulatory judgements impartially, without fear or favour and “each governing body member must always act in the best interests of the RSL....and not as the representative of any other organisation or interest group”</i> 	
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<p>The Chief Executive drew attention to the above and the company's proposed response. This sums up the fiduciary duty of every board member but in practice, can give rise to conflicts for board members who are also elected members of local authorities. This is becoming more apparent as local authorities have increasingly become involved with the building and provision of new council housing, involving as it does issues of land identification, pricing purchasing and competition for decreasing grant levels. Councillor Anderson did not agree with this summation and the Chief Executive, having taken on board the comments of the Councillors for West Lothian and Falkirk, with regard to impartiality, would redraft the response and email this today to both Councillor representatives for a response by 24/11. The Chief Executive noted that, as well as impartiality issues, there were also issues concerning maximizing attendance at Board meetings. Due to numerous calls on Councillors' time, it was not always possible for them to attend Board meetings.</p> <p>The Chief Executive invited comments on any other points in the draft response. A general discussion took place relating to Tenant Directors and whether they are representing the views of other tenants or organisations. It was agreed that while tenant representation was more individual, they were elected by their peers in ballots, although there was no formal representation of constituency groups.</p> <p>The Chief Executive noted that this company undertakes a survey of tenants every five years and returns are 60% at best. One in three tenants does not respond to any request for feedback. The company has managed to engage only 28 tenants on the tenants' email group and out of 18 tenants who are members of the Tenants Participation Committee, on average, only 9 attend meetings. These examples were not quoted as a criticism but to illustrate just how difficult it is to engage with tenants who, by not engaging in huge numbers, were only reflecting the commitment of society as a whole in engaging with service providers. There was no reason to believe that tenants who were receiving a reasonable service from their landlords would be any more motivated than the general public to get involved. In short, like all of us, they probably had more pressing matters to address.</p> <p>A member of the Board noted concerns around potential board disruption if the company were required to adhere to the Regulator's requirement on length of terms served.</p> <p>The Chairman felt that the draft response to this question was robust and we are promoting, as previously noted by the Chief Executive, regular Board evaluation of members rather than fixed terms.</p> <p>A member of the Board referred to the route taken by the Pensions Regulator, where Board members were now required to sit an examination.</p>	<p>CE</p>
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	<p>In relation to Section 2, which sets out how the Regulator proposes to regulate social landlords in Scotland in line with the framework of duties and powers in the Act, the Chief Executive thought the Regulator had proposed this to replace Schedule 7 powers, which would no longer be in force from April 2012. He noted, and the Board agreed, that individual organisations should be able to prepare their own codes of governance within the Regulator's framework.</p> <p>A Board member queried whether the Annual Charter Performance Reports (Question 11 of the response) had to be sent to each tenant and the Board agreed that it would be sufficient to place this in the company's newsletter and Annual Report. On that point, the Chief Executive further noted that consideration is being given to producing a more user friendly Annual Report separate from the Annual Accounts Report.</p> <p>In response to a question from a Board member as to whether the Annual Performance Standard Reports were a good fit with the Charter, the Chief Executive felt this was logical as the requirement to report via APSR would be removed and he hoped the new method would provide more accurate and less burdensome reporting when the Charter was modified in line with the consultation.</p> <p>It was agreed that, subject to consideration by the West Lothian and Falkirk Councillors on the redrafted response on fiduciary duty/conflict of interest, the draft was approved and would be submitted in final form to the Regulator by the closing date of Friday 25 November 2011.</p>	<p>CE</p>
<p>6</p>	<p>DIRECTORS REPORTS</p>	
<p>6.1</p> <p>1.1</p> <p>2.1</p> <p>2.2</p>	<p>Chief Executive The Chief Executive presented his report and the following was noted:</p> <p>Right to Buy Three sales have completed with combined receipts of £127,200. There is one further modernised right to buy application in the pipeline. The valuation for this is not yet available. The Business Plan estimate for 2011/12 is eight sales.</p> <p>Programme The attached Appendix for the 2011/12 Programme shows contracted work of just over £1m taking place.</p> <p>The Chief Executive met with the Technical Unit Manager and the Building Surveyor to discuss matters in relation to the 2012/13 Programme. A draft of the 2012/13 Programme will be available at the Board meeting on 1/2/12.</p>	<p>CE</p>

4(ii)	A site start at Ellen Street, Whitburn will be delayed until the new year due to problems in relation to water in culverts.	
4(iii)	The planning and development departments of Falkirk Council met and advised us that the site at Douglas Drive, Bo'ness is unlikely to be supported, therefore no action will be taken on this.	
4(iv)	The Finance Director is taking matters forward in relation to West Gate Towers in Bathgate, following a meeting he and the Chief Executive held with Alistair Kettles of Mason Dryden Murray and Andy Rosher of Whiteadder Group Developers.	
4(v)	Following discussions with Muir Group, an approach has been made to Ann Gee of West Lothian Council for financing in connection with Wester Inch, a development of five, four bedroom detached houses which have some potential. No response has been received to date. Discussions are also taking place with Muir Group in relation to Deer Park, Livingston.	
5	<p>Events/Marketing/Publicity</p> <p>The Chief Executive remarked on his recent attendance at the National Housing Conference at Dunblane Hydro on 8 November, which was organised by Harper McLeod. His report of the event and background papers are available from the Executive Assistant.</p> <p>The Chief Executive noted that he and the Housing Manager are attending the CIH Presidential Dinner in Glasgow on 27/01/2012 where the company are sponsoring the Margaret Vass Award for Excellence in Housing Management and Homelessness.</p> <p>Meetings</p> <p>The schedule of meetings was presented and the Chief Executive invited questions from Board members.</p> <p>The Chief Executive noted his recent meeting with Ian Glass, Ken Burrows and Clark Ferguson of the Graham Group and Nichola Lee of Jewsons where he signed the contract and service level agreement. The implementation of this going forward will provide tradesmen with quicker and easier access to materials and provide efficiencies and cost savings to the service.</p> <p>The Chief Executive noted his recent meeting with Kay Blair, Chair of the new Scottish Housing Regulator where the Regulator's current consultation and other matters were discussed. The Chief Executive reminded the Board that he had met with Michael Cameron, the new Scottish Housing Regulator Chief Executive recently to discuss similar matters.</p>	

<p>6.2</p>	<p>Finance Director</p> <p>Budgetary Control Report</p> <p>The Finance Director presented the Budgetary Control Report for the period ending 31 October and noted that the variances from profile are generally minor, notably (i) planned Maintenance and Improvement Works where this variation is due to timing of contractor payments but forecast outturns will not be changing and (ii) Yard Refurbishment Costs where the contractor has fallen behind his original timetable, due in part to difficulties with the weather plus the contractor taking longer than planned to get fully mobilised on site. Payments are being made to the contractor as approved by our technical consultants and will catch up with the forecast outturn. The Board noted that penalty clauses are in place if work does not finish to the planned date.</p> <p>A final review of income and expenditure will be carried out at the end of the third quarter. However, no significant changes to forecast outturn are envisaged. The Finance Director predicted a healthy surplus of funds in excess of £2,000,000 carried forward in to 2012/13. This is a good base on which to take our planned activities forward.</p> <p>The Finance Director noted that approaches will shortly be made to lenders in connection with securing best deals of funding for new build and MTR projects.</p> <p>Meetings</p> <p>The Finance Director noted that he had attended the London Stock Exchange's and Evolution Securities' Retail Bond Issuance Forum on 14 October in Edinburgh, where alternatives to conventional bank lending was highlighted. The Finance Director noted that some housing associations are now issuing Retail Bonds as an alternative conventional long term debt funding. The Places for People issue, to the value of £140m was oversubscribed and this type of lending is likely to become more popular as banks revert to shorter term lending for the foreseeable future. The company will be exploring this option in the coming months.</p> <p>The Finance Director noted that he attended the SFHA Finance Conference which took place on 15 November.</p> <p>The Finance Director noted that, together with the Operations Director, Finance Manager, Housing Manager and Assistant Finance Manager, on 26 and 28 October he met with Scott Moncrieff, internal auditors to review allocations and payroll assignments. These meetings did not flag up any concerns and simply highlighted a need for a tidying up of some processes and procedures. Copies of these reports along with recommendations will be presented to the Board at its meeting on 1/02.</p>	<p>FD</p> <p>FD</p>
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<p>6.3</p> <p>1</p> <p>2</p> <p>4</p> <p>5</p> <p>7</p> <p>8</p>	<p>Operations Director</p> <p>The Operations Director presented his report and the following was noted:</p> <p>There are 14 Mortgage to Rent applications currently in progress. Two cases have completed since the last Board meeting and therefore the total of successfully completed Weslo cases since the Scheme's inception in 2003 stands at 85.</p> <p>There has been considerable interest in the recently re-launched Flexible Tenure Scheme, and this would be reported on in each activity report going forward.</p> <p>After discussion with Simon Laird, Surveyor, it had been agreed to opt for reconfiguration of the Bo'ness Office, rather than go forward with an arrangement with Bo'ness Police as the costs for this had been restrictive. The cost of the reconfiguration option is £43k plus vat and fees. Bo'ness members of staff would move into the temporary yard offices, whose lease extends to May 2012, between January and May 2012 to allow the reconfiguration to take place. The Board will be kept updated on progress.</p> <p>Further to the update given in his Activity Report, the Operations Director noted that the start date for the contract which has been placed for the repair of Kinneil walls had been delayed as the contractors were concerned about leaving open excavations over the Christmas period. The contract would now start on 9 January 2012.</p> <p>The Training Needs Analysis prepared by Amanda Britain has been received in draft and would be available in final form for presentation and discussion at the Board's meeting on 1/02/12.</p> <p>As part of a review into working practices by gas engineers, Mike Hutchison, Managing Director of MFH Service Quality Management spent a day with each engineer. Mike Hutchison will undertake further work with the engineers and subsequently produce a report on his findings, for discussion by the Executive Team and Technical Unit Manager.</p> <p>Arrears Analysis Report</p> <p>The Board noted the Arrears Analysis Report for October 2011. Arrears for October 2011 are £140K, up on the September 2011 figure of £136k and still showing an upward trend, last year's October figure being £117k. This trend continues to be closely monitored.</p> <p>The potential impact of changes to Welfare Reform, particularly in the area of non-dependent deductions, which are being phased in over 4 years, is being monitored on a 6-monthly basis. Forty two tenants are affected and to date, thirty one tenants have had a reduction in benefits, at a total initial cost of £600 now reduced to £150. The impact of this will become greater year on year.</p>	<p>OD</p>
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	<p>Work continues on monitoring rent loss on void houses. The October figure for average rent loss per void is £217, again lower than last month, but more than the equivalent figure for last year, which was £208.</p> <p>2011/12 Reactive Maintenance costs are showing an overspend of 6.95% This continues to be monitored closely and the method of reporting has been changed to highlight specific areas. The Board will receive a full year report at its meeting on 1/02/2012.</p> <p>The Repair Response Time Analysis for the period 1/09 to 30/09 showed one job missed due to tradesman error. All jobs were achieved on time in the October period.</p> <p>The Tenant Repair Satisfaction Summary for October shows that 42.7% of repair satisfaction cards were returned. One negative comment was received in October and two in September and these have been followed up with the tenants concerned.</p> <p>The Customer Satisfaction Survey Data results for both offices were discussed. The Operations Director noted that there is no way of drilling down further into the analysis but that any negative trend identified would be investigated. However, the results are very positive. It was remarked that there are a greater number of responses at Bo'ness than Bathgate. The importance of reminding tenants to complete the survey has been re-emphasised to Bathgate staff.</p> <p>In response to a question from a Board member in relation to under-occupation of properties, the Operations Director noted that the date for the 5 year census is being brought forward to 2012, which will help the company identify, more specifically, benefits related questions.</p>	<p>OD</p>
<p>7</p>	<p>ANY OTHER BUSINESS</p>	
<p>7.1</p>	<p>COMPANY ETHOS A copy of the revised proposed Company Ethos, previously known as the Company Values, was circulated by the Operations Director, who requested comments from Board members on the draft by 7/12.</p>	<p>ALL</p>
<p>7.2</p>	<p>The Chief Executive noted that the groundbreaking partnership between the company and West Lothian Council, now at its 10th Anniversary, was recognised recently when it won a Council partnership award.</p> <p>The innovative, jointly funded project, the first of its kind in Scotland, saw a Council Revenues & Benefits Officer seconded to work in Weslo's office to deal exclusively with processing Weslo tenants Housing Benefit claims. The award was presented to the</p>	

	company's Housing Manager by Jim McCafferty, Head of Revenues at the Council.	
7.3	The Chief Executive advised Board members that an additional public holiday had been declared by the Government for the Queen's Jubilee Celebrations on 5 June 2012. After discussion, the Board agreed to give each member of staff an additional day's annual leave in 2012, which it noted need not be taken on the 5 June. The office will not be closed on that day.	
8	DATE OF NEXT MEETING 1 February 2012 at 10.00 am at Bathgate.	