

MINUTES OF WESLO BOARD MEETING NO. 184



2 February 2011

Present	Peter Robson	Chair
	Mike Bruce	Chief Executive
	Mike Crozier	Operations Director
	Douglas Drummond	Finance Director
	Margaret McIntyre	Community Director
	John Spraggon	Community Director
	Eileen Stirling	Tenant Director
	Janette Wallace	Tenant Director
	Alex Bow	Tenant Director
	Hugh Ruck	Tenant Director
In attendance:	Paul Foley	Kynesis
	Margaret Walker	Admin Officer
	Anne Arnott	Executive Assistant
	Alison Dunsmore	PA/Admin Officer

The Chairman opened the meeting by welcoming everyone and introduced new Board member Councillor Ann Ritchie, the Falkirk Council representative, Anne Arnott, Executive Assistant and Margaret Walker, staff observer. Round table introductions were given.

ITEM

ACTION

1 APOLOGIES

Apologies were received from Frank Anderson.

2 MINUTES OF PREVIOUS MEETING

The minutes of Board Meeting No. 183 were reviewed and John Spraggon proposed them as an accurate record of the meeting. Janette seconded this and the minutes were approved and signed by the Chairman.

3 MATTERS ARISING

There were no matters arising.

4 PLANNED MAINTENANCE PROGRAMME 2011/11 TENANT FEEDBACK

The Chief Executive introduced the paper, which had been prepared at the suggestion of the Scottish Housing Regulator (SHR), following their inspection, and outlines detail of the feedback obtained from tenants in homes benefitting from work in the 2010/11 Planned Maintenance Programme. In previous years the information, whilst available, had not been collated or formally presented to the Board.

While the picture was generally favourable, there were several items which had prompted action for next year. Tenants whose homes had been included in the replacement central

ITEM**ACTION**

heating process were unhappy that redecoration allowances were not available after maintenance had been undertaken. The Programme Manager is taking soundings from other RSLs and will provide a report to the Chief Executive before the next central heating programme is under way in order that a decision can be made on whether to provide this allowance. Janette Wallace did not feel it was necessary to provide this allowance to tenants as enough notice was given to them regarding contract start date.

PM

The Chief Executive noted that Bells had been asked to provide a 20% sample of tenants but had written to only 20% of tenants, giving a 16.5% return. This would be pursued with Bells.

PM

Results for project number 8 are still awaited and will be reported at the next meeting

In relation to Project 9 (General Roof Maintenance and Gutter Cleaning) and Project 10 (External Bin Stores), the Survey methodology employed by the Contractors was not to the standard we would wish and, in the event that these contractors are successful in bidding for work in the 2011/12 programme, this will be addressed at the pre-start meetings.

PM

The Board noted the contents of the paper.

5 PLANNED MAINTENANCE PROGRAMME 2011/12 AND BEYOND

The Chief Executive introduced the paper, which had been compiled with input from the Executive, Technical and Housing Teams over the course of the previous three months. It outlines what work will be undertaken, the rationale behind it and the estimated cost. The scope of the programme will be included in the rent increase letter issued to tenants and in a press release.

He noted three new complex issues:

- 1 700 properties require a 10 year inspection of electrical installations. Some 200 internal installations a year have been carried out by our in-house electricians but this had not been credited to planned maintenance. This will change.
- 2 One of the two minor repairs to gutters and downpipes contracts will be undertaken by the Garden Maintenance Team but will still form part of the planned maintenance spend programme and be allocated to the correct budget. 50% of last year's voids were identified as requiring mechanical ventilation due to condensation in the kitchen or bathroom. We will review whether this is the best method of identifying and completing this work.
- 3 The organisation is required to meet the Scottish Housing Quality Standards to ensure that each property has 6 electrical sockets. The Electrical Inspection and the forthcoming surveys referred to below will assist in identifying where this work is required.

TUM

It was further noted that a programme of surveys will be undertaken to improve our database on the quality of the housing stock. At present, the organisation is overly reliant on cloning.

ITEM

ACTION

A surveyor will be appointed to carry out surveys shortly to reduce this reliance. This will inform next year's programme.

The Operations Director noted there had been no adverse comments on the draft programme at the recent Tenant Participation Meeting.

The Board noted the contents of the paper.

6 2011/12 RENT INCREASE/BUDGET

The Finance Director introduced the paper and explained the New Housing Partnership (NHP) properties rent increase is governed by an agreement with West Lothian Council, which stipulates that the rent increase figure is based on the RPI figure of the November that falls prior to the April of the rent increase which, in November 2010, was 4.7%.

Weslo undertook to set the rent increase of non-NHP properties at no more than 1% above the most up-to-date RPI figure which, in December 2010, was 4.8%.

It was noted that the RPI figure has varied greatly over the last year and a half as a consequence of the recession.

The paper included seven rent scenarios, one of which was to implement no increase and the Finance Director stated that his recommendation would be to increase the rent by 5% as Weslo have made a commitment to meeting the SHQS, which constitutes a significant investment and, with Right to Buy income dropping and the day-to-day costs of operating an efficient repairs service being met with rental income, he felt it prudent to increase rent steadily each year instead of facing the possibility of having to implement a large increase next year if a low increase this year renders it more challenging to meet the financial commitments we have made to our tenants. The paper also included other landlords' proposed rent increases for comparison. The Chief Executive noted that West Lothian Council are tied in to their 4% increase this year by a longer term agreement which commenced in 2008/09.

It was noted that management and day-to-day operation costs are largely fixed as are our loan charges. Utility and other costs and variable items continue to rise despite our best efforts on procurement, where we have a robust process. There are no negotiated tenders in this year's programme of work. The Chief Executive noted that there may be some reduction in the £1.16m Planned Maintenance Programme to reflect the competitiveness of the market.

It was further noted that, at the recent Tenant Participation meeting, a 5% increase had been considered acceptable. A general discussion took place on the effect of a rent increase on housing benefit. The Chairman noted a consensus amongst Board members and members of the Tenant Participation Meeting to set the rent increase at 5%.

After further discussion, to meet the commitments of the SHQS and the Planned Maintenance Programme, it was agreed that the best course of action was to implement a rent increase of 5%, being 0.2% above the prevailing rate of inflation. This was proposed by

ITEM**ACTION**

John Spraggon and seconded by Eileen Stirling.

7 GIFTS & HOSPITALITY REGISTER MARCH 2010 – FEB 2011

The Chief Executive introduced the paper, in which the type of hospitality received and given during the course of 2010 was of a standard nature. He noted the Register was open for viewing by Board members.

The Board noted the contents of the report and the Chairman was invited to sign off the Register for 2010/11.

8 CYCLE OF BOARD ACTIVITY

The Chief Executive introduced the paper and the Board noted the contents. He noted the Business Plan may be presented earlier than the scheduled date.

9 ADVERSE WEATHER CONDITIONS

The Operations Director introduced the paper, which he had prepared to inform the Board of events during the period of adverse weather in November/December 2010.

He noted the right to repair was suspended during the period, which is allowed by legislation, and this had been publicised on the organisation's website and tenants were advised verbally when reporting a repair. He drew the Board's attention to the increase in one working day repairs from 52 in the previous period to 352 in this period.

Margaret McIntyre noted that repair numbers for December were less than November. It was thought that this was due to tenants not reporting minor works during the adverse weather period. The Operations Director noted he was pleased with the good effort and performance of yard staff over the period. Only urgent guttering and rhone repairs had been undertaken during this period, leaving 40 repairs to be undertaken via a small contract project. Unfortunately, the 40 tenants affected had not been advised of the delayed repair date. The organisation will therefore pay £600 in compensation and the repair response time KPI figures will show a % increase of around 400% on the year-to-date performance. It was noted that these figures are reported on in the annual accounts and as part of reporting to the SHR. The Operations Director noted that an investigation into this occurrence is ongoing but that it was extremely disappointing given the otherwise excellent performance during the adverse weather.

The Board noted the contents of the report.

10 SHR IMPROVEMENT PLAN

The Chief Executive gave a verbal update on the progress of the SHR Improvement Plan. He noted the following changes to the timings:

- 1 Training for staff and board members – this had been rescheduled to September 2011 due to the appointment of a new Executive Assistant.

ITEM**ACTION**

- 2 Induction pack – rescheduled from December 2010 to March 2011.
- 3 Presenting the formal asset management strategy to the Board – November 2010 now rescheduled to March/April 2011 due to more pressing priorities and to allow the new Technical Unit Manager to have input.
- 4 Monitoring and reporting of lettings – rescheduled from December 2010 to November 2011, again due to changes in personnel.
- 5 Improving analysis of pre and post inspections – rescheduled from December 2010 to April 2011, again due to the appointment of the new Technical Unit Manager.

The Chief Executive noted that this document is fluid according to the demands of the business. However, it is important to keep the Regulator updated with any changes made, particularly to delivery dates. This will be especially important for the Regulator in 2012 to see and trace the critical path towards completion of the individual elements. The Improvement Plan will be placed on the intranet and company website. The Executive Assistant will circulate a copy of the Improvement Plan to the Board with these Minutes.

EA

11 DIRECTORS REPORTS**Chief Executive**

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

- 11(a)
- 1 Referring to the Community Budget, notional sum savings now exceed expenditure.
 - 2 WLHP have withdrawn from the development aspect of the agreement. Weslo lawyers are preparing a new agreement to reflect this. Where previously the split of programmed units was 40% Almond, 40% WLC and 20% Weslo, the new agreement will mean we have 30%, with Horizon having 30% and Almond 40%. Almond, carrying a higher risk, has a larger percentage.
 - 3 A meeting took place yesterday with Falkirk District Council to discuss Weslo's programme within the strategic housing investment programme.
 - 4 A satisfaction survey of the Corbiehall flats is being undertaken. This 30 unit scheme is mid-market/social housing occupation. We are currently pursuing a total of 26 units in similar investments in Fauldhouse and Bathgate.
 - 5 We have agreed to sponsor the housing supplement in the mid-March edition of Holyrood Magazine to highlight our activities in the above area (4). The Chief Executive is writing an article and an update will be given at the 9 March meeting, prior to publication of the article. This magazine will be in delegate packs for the CIH Conference in Glasgow.

CE

11(b) The Finance Director issued his report and the following was noted:-

ITEM**ACTION**

- 1 There had been no noteworthy variances since last reporting. Two extra RTB sales were completed in January and February.

There had been a change in demand for medical adaptation grants. Grant applications will be cut for next year, the budget being £68k, as opposed to £135k in this year's budget.

Work on IT systems is ongoing. Some goods and services were purchased early to avoid the 25% vat increase, giving savings of approximately £2k.

We will acquire three new vehicles before the year end.

A healthy carry forward of £2.43m is expected into next year.

- 2 There were no major issues arising out of the Lothian Pension Fund AGM. Pension costs in the coming year are 22.7% as part of a 3 year agreement. We are awaiting confirmation from Lothian Pension Fund of contribution levels for 2012/13 to 2014/15.
- 3 The FD is continuing his government consultancy work in relation to the paper on Equity Investment and Housing with Care.
- 4 Work is ongoing in relation to SHQS. Figures for stock investment over the next 5 years should be in place by summer 2011.
- 5 The Finance Director met with Bill Darroch of Almond Housing Association to discuss future funding for Weslo as the current agreement with Dunfermline Building Society ends in November 2011.

11(c) Operations Director

The Operations Director issued his report and the following was noted:-

- 1 There are 21 MTRs in progress.
- 2 Rob Tait, Technical Unit manager, started work on 1 February.
- 3 The Board were advised of the engagement of Josh Clapperton for 4 months. Josh is a plumbing apprentice who lost his job with 4 months of his apprenticeship to complete.
- 4 Work continues to locate suitable commercial premises to where the Yard can be decanted. The Operations Director is working on an alternative plan based on splitting office staff and tradesmen. Once suitable premises have been identified, it is hoped work will start in April this year and will take approximately 6 months. There are no anticipated planning problems. The Board will receive an update at its meeting on 9 March 2011.

OD

ITEM**ACTION**

- 5 Arrears increased from £120k at the end of November to £131k at the end of December. The comparable figure for the same period last year was £123k. Out of sync payments for housing benefit at Bo'ness along with other factors have contributed to this.

The average for arrears during 2009/10 was just over £125k. This year to date the average, including December, is £125k. Broadly, the average throughout the year is close to the previous year's average. The January arrears figure is £127k, down from £131k in December 2010. The January 2010 figure was £133k. This shows a reduction on both month and previous year. Given the current economic climate, these figures are good. The figures will be reported on further at the meeting of the Board on 9 March.

OD

- 6 The year-to-date figure for rent loss on voids is £215k compared to £271k last year. Efforts are ongoing to tighten up void processes. There are 17 voids currently ongoing. A temporary joiner has been employed for up to 3 months to assist with the high volume of voids and MTRs.

- 7 The Chief Executive noted that the organisation does not charge rent on the death of a tenant whilst the premises are being cleared by the family, who are consulted to establish how long they will require to clear the premises. He felt that this period of time, during which Weslo forego rent, should be credited to a category which might be categorised as 'compassionate' rather than being attributed to rent loss on voids. The Finance Director noted that costs associated with voids of this type could be set off against turnover. Rather than making it a negative income, the period of void could be placed against an operating cost, meaning Weslo would take it out as a deduction of income and it would show as a debit charge on the account. The rent loss on voids figure would therefore be more reflective for our performance in preparing and allocating vacant houses. This was unanimously agreed by the Board and the Operations Director will provide the 9 March Board with a written policy to reflect the new reporting/accounting arrangements.

OD

The period of void in these cases was generally 2 to 4 weeks although rent is not charged from the day of death. (NB: housing benefit ceases to be paid from date of death).

The Operations Director noted that there may be an implication for our reporting to the SHR, and further discussions will be held on this matter.

OD

- 8 2010/11 Reactive Maintenance costs are still showing a substantial underspend.

- 9 One compensation payment was paid due to a rhone repair which was not undertaken within time.

12 **ANY OTHER BUSINESS**

- 12.1 After a discussion, the Board agreed that 29 April (Royal Wedding) would not be given to staff as a public holiday and the office would be open as normal. Staff would be advised.

ITEM**ACTION**

Sufficient time existed for any staff wishing to have the day off on annual leave/flexi time and, subject to demand, requests would be looked upon sympathetically.

CE

- 12.2 The Housing Bill becomes an Act on 1 March 2011 which would prevent Right to Buy from new supply public housing. At the consultation stage, Weslo asked that Mortgage to Rent be exempt from this and that this should only apply to new build. The Chief Executive outlined the process of Mortgage to Rent and the buy back option currently in place. He felt that tenants who come to Weslo under this scheme should retain the buy back option on a contractual basis and asked the Board to support this position and his intention to write to the Scottish Government on this matter. The Board agreed that the RTB option should remain for acquired properties and the Chief Executive should write to the Scottish Government outlining Weslo's view.

CE

- 12.3 The Chief Executive noted that, during the period of adverse weather, copies of the above newsletter, normally delivered to Bathgate for office distribution, had been lost and none are therefore available in offices. He asked members to return any spare copies they may have.

All

Date of Next Meeting

The next meeting will be held on Wednesday 9 March at our Bathgate office. Peter Robson gave his apologies. John Spraggon will Chair in his absence.

All to note

The meeting closed at 1200.