

MINUTES OF THE MEETING OF WESLO HOUSING MANAGEMENT BOARD – NO. 190

**HELD ON 12TH OCTOBER 2011 AT 10.00 AM
AT 66 NORTH BRIDGE STREET, BATHGATE**

Present: Peter Robson Chair
 Alex Bow Tenant Director
 Mike Bruce Chief Executive
 Douglas Drummond Finance Director
 Margaret McIntyre Community Director
 Eileen Porter Tenant Director
 Hugh Ruck Tenant Director
 John Spraggon Community Director
 Janette Wallace Tenant Director

In attendance: Anne Arnott Executive Assistant (Minutes)
 Jackie Ferguson Payroll Officer

The Chairman opened the meeting by welcoming everyone and introduced Jackie Ferguson, Payroll Officer, Staff Observer for this meeting.

		ACTION
1	APOLOGIES Apologies were received from Councillor Ann Ritchie, Councillor Frank Anderson and Mike Crozier.	
2	DECLARATION OF INTEREST There were no Declarations.	
3	MINUTES OF PREVIOUS MEETING The minutes of Board Meeting No. 190 were reviewed and Janette Wallace proposed them as an accurate record of the meeting. John Spraggon seconded this and the minutes were approved and signed by the Chairman.	
4	MATTERS ARISING There were no matters arising.	
5	SALARY REVIEW FOR ALL STAFF EXCLUDING EXECUTIVE DIRECTORS The Finance Director introduced the paper and explained the rent and salary increases used as their base the Retail Price Index (RPI). The Finance Director advised that the RPI figure was currently 5.2% and over the past year, has scarcely been below 5% and peaking at 5.5%.	

	<p>The Finance Director noted the cumulative increases awarded over the past two years had been 0.1% ahead of RPI. He further noted that anything below the RPI of 5.1% will, in real terms, mean a reduction in salary.</p> <p>The Chief Executive outlined the view of the Operations Director, who was absent from the meeting, that a commitment had been given to staff in 1994 that pay increases would be awarded at least to the level of RPI. He further noted that there had been increases in food, gas, electricity, rent and other utility bills which had an effect on staff and their families. The recent awayday highlighted the commitment of staff to the company and further, that the company is not dependent on private funding, and could make a decision to award the increase at RPI given the healthy position of the company. The Operations Director further thought that there was no reason to reduce the award. It is in line with inflation and the company, with the exception of the previous year, has never deviated from an RPI increase. Staff are our biggest asset and we should be looking after them.</p> <p>Whilst agreeing with the views of the Operations Director, the Chief Executive asked the Board to consider that increasingly companies are coming under more scrutiny from the media and the wider audience and it would be difficult to manage and justify any increase close to 5.1% in the current economic climate where many workers in our and similar sectors are experiencing more pay freezes, or minimal increase. Consequently, any increase close to 5.1% would be disproportionate compared to many of our peer groups. So while agreeing that the company could afford to pay the increase, it was felt that this, in itself, did not constitute sufficient reason to make the award. He also felt that the award of a lesser increase in these straightened times did not compromise Weslo's commitment to protect the interests of its staff.</p> <p>The Finance Director then invited the Board's views on the recommendation contained in the paper.</p> <p>The Finance Director and Chief Executive left the meeting in order to allow the discussion to continue to a decision and to allow the Board to discuss Item 6 – Salary Review for Executive Directors. The Board discussed and considered all of the aforementioned points.</p> <p>After discussion, the Board agreed that a pay award should be given in the range of 2.5% to 3.5%. Whilst the commitment and hard work of the staff was recognised, given the foregoing points regarding scrutiny and acknowledging that the company had increased rents by 5% this year, the Board agreed that a pay award of 3% was appropriate. This was proposed by John Spraggon and seconded by Alex Bow.</p>	
<p>6</p>	<p>SALARY REVIEW FOR EXECUTIVE DIRECTORS</p> <p>The Chairman introduced the paper and invited the Board's comments.</p> <p>A general discussion ensued and Janette Wallace proposed the same level of increase as that given to staff. This was seconded by John Spraggon.</p>	

	<p>The Finance Director and Chief Executive returned to the meeting.</p> <p>The Board considered the overall award to be fair in this instance but acknowledged that it did not match the prevailing and forecast level of inflation. This will be borne in mind if circumstances permitted in future years and the economic climate improved.</p>	
<p>7</p>	<p>RISK REGISTER UPDATE</p> <p>The Finance Director introduced the paper, to which some minor adjustments had been made since it was last reviewed and approved by the Board on 15 June 2011.</p> <p>The Finance Director outlined the minor changes with the addition of a new risk – 5.5 Welfare Benefit Reform, and changes to 1.3 and 1.4 and invited the Board to comment.</p> <p>The Finance Director noted that the new risk 5.5 is being kept under review and a workplan has been prepared so that the company can be fully prepared for any impact on cash flow.</p> <p>The change to 1.3 reflects the company’s decision not to apply any incentives for payment by direct debit. There will be no action on this at the moment. The change at 1.4 reflects a completion date change from August 2011 to October 2011 for the review of the Financial Procedures Manual.</p> <p>The Board noted the contents of the updated Risk Register and approved the action points.</p>	
<p>8</p>	<p>CYCLE OF BOARD MEETINGS 2012</p> <p>The Chief Executive presented the Cycle of Board Dates and Cycle of Activity for 2012. This paper contained an option to reduce the frequency of Board meetings from every 6 weeks to every 2 months. Both options contained appropriate Cycles and Activity.</p> <p>The Chief Executive presented the views of the Operations Director. The Operations Director felt that a cycle of six meetings over the year would allow more timely reporting. The Finance Director endorsed this view. It was noted that there would be more items on each agenda leading to longer meetings. However, the time commitment of Board members would be reduced if there were less meetings.</p> <p>The Chief Executive drew to the Board’s attention that the Scottish Housing Regulator, in his consultation document, had advised that RSLs should be expected to have <i>at least</i> six meetings a year and in following Option 2, this would mean we would be following the minimum requirement.</p> <p>The Chief Executive invited the Board to discuss and agree the preferred of the two options.</p>	

	<p>A general discussion took place. The Finance Director clarified that there were cyclical advantages to moving from 8 to 6 meetings a year in terms of presenting more up to date information on operational and financial matters. It was noted that less meetings might assist attendance.</p> <p>The Board agreed Option 2 for one year, with an evaluation and review at the 21 November 2012 meeting. The proposal was approved by Margaret McIntyre and seconded by Janette Wallace.</p>	OD
9	<p>DRAFT ASSET MANAGEMENT STRATEGY</p> <p>The Chief Executive introduced the paper, prepared by the Technical Unit Manager, noting that the Regulator had requested the company set down, as part of an Improvement Plan, a formal Asset Management Strategy.</p> <p>After a brief discussion, the Strategy was approved by Hugh Ruck and seconded by John Spraggon.</p>	
10	<p>SUPPORTED ACCOMMODATION LETS</p> <p>The Chief Executive, on behalf of the Operations Director, introduced the paper which outlined the present situation. He reported that the Supported Accommodation Lets remain satisfactory, apart from one property at 207c Mansefield, East Calder. Due to recent issues with the tenant at this property, it was felt prudent to return this to a mainstream tenancy. This avoids the possibility of negative attention being drawn to the status of this house. The property will be replaced by another at a date to be agreed with West Lothian Council.</p> <p>The Board noted the contents of the report.</p>	
11	<p>DIRECTORS REPORTS</p>	
11a	<p>Chief Executive</p> <p>The Chief Executive presented his report and the following was noted:</p> <p>The Business Plan estimate for House Sales for 2011/12 has been reduced to four sales.</p> <p>The new Development Agreement reflecting the alliance of Almond, Weslo and Horizon is complete and will be signed by the Weslo Chairman today and by Almond and Horizon at the Alliance meeting on 20/10.</p> <p>Work will start on building at Ellen Street this month with starts on site for Station Road Armadale and Charles Crescent Bathgate in the new year. It is unlikely that the company will participate in any developments in the Falkirk area for the foreseeable future due to a combination of factors, including acquisitions of sites, land value and reduced grant.</p>	

	<p>The Chief Executive will speak at a Plenary Session on Governance at the forthcoming CIH Conference in March 2012. He had recently attended a photoshoot to assist in publicity for the March 2012 Conference.</p> <p>The Chief Executive, together with other colleagues, attended a demonstration of modular construction methods at Powerwall in Lanarkshire. This alternative method of construction would reduce house build costs and will be further investigated.</p> <p>The Chief Executive enjoyed a beneficial meeting with the Scottish Housing Regulator, discussing the future of housing and regulation in general.</p> <p>The Chief Executive, together with the Finance and Operations Directors, held a meeting with Mike Hutchison, Gas Servicing Consultant, who has been asked to review our gas services.</p> <p>The Chief Executive drew the Board's attention to the enclosed Staff Away Day report prepared by Kynesis. He outlined some comments for the Board's benefit and asked Board Members to let him have any thoughts on content for the 2012 event.</p>	All
11b	<p>Finance Director</p> <p>The Finance Director issued the Budgetary Control Report for the period ending 31 August, the half year point, and noted the following:</p> <ul style="list-style-type: none"> • An increase in Net Rental Income up £41,000 • An increase in other income by £43,000 • Jobbing/Repairs increased to £109,000 • Planned Maintenance and Improvement Works outturn reduced by £110,000 • Management Costs outturn increased by £73,000 • Motor Vehicles outturn increased by £21,000 • Forecast outturn for yard Refurbishment Costs increased by £180,000 <p>The overall effect is a reduction in surplus carried forward at year end by £243,000 to £2,080,000. The Finance Director noted that this is a very healthy balance and the company will be able to meet its obligations for 2012/13 and beyond.</p>	
11c	<p>Operations Director</p> <p>The paper was presented by the Chief Executive, in the Operations Director's absence.</p> <p>A response is still awaited from Falkirk Council on the matter of the retaining walls at Kinneil Estate in an effort to establish whether the Council will make any contribution to the costs of repairs. The Board will be updated at its next meeting. Post Meeting Note: A response has been received confirming the Council's decision not to contribute to costs and detailing their rationale for this.</p>	

	<p>Weslo's Flexible Tenure Scheme has been relaunched to assist owners who may be experiencing financial difficulties but do not qualify for the national MTR scheme. This has been due to several initial approaches being made to us by owner occupiers looking to sell their homes.</p> <p>At it's meeting in August, in discussion about the McDougall's Group tender for the company's Out of Hours Service, the Board asked the Operations Director to establish the percentage of calls received, dealt with in the first 45 minutes. The Board noted the Operations Director's response.</p> <p>The Board noted the Arrears Analysis Report for August 2011. Arrears for August are £125K, down on the July figure of £137k but still showing an upward trend, last year's August figure being £106k. This trend is being closely monitored.</p> <p>Turning to page 7, Current Tenant Arrears, the Chief Executive noted that arrears being written off as part of the sequestration of a tenant are on the increase and our internal procedures for dealing with these are being reviewed to ensure we make robust claims in all cases though it is unlikely we will receive any payment. As these tenants are allowed to continue in their properties, their future rent payments will be monitored so that any arrear situation can be dealt with immediately.</p> <p>Work continues on monitoring rent loss on void houses (page 9). The August figure for average rent loss per void is £225, again lower than last month, but more than the equivalent figure for last year (£203).</p> <p>2011/12 Reactive Maintenance costs are showing an overspend of 6.95% This is being monitored closely.</p> <p>The repair response time analysis for August showed one job not completed on time due to human error.</p> <p>The repair satisfaction analysis for August showed a 36.5% return with 4 negative comments which have all been followed up with the tenants concerned.</p> <p>The Chief Executive drew the Board's attention to the new presentation of the Customer Satisfaction Survey Data report. The Board noted the very good results.</p>	
<p>12</p> <p>1</p>	<p>ANY OTHER BUSINESS</p> <p>The Chief Executive apologized for the late delivery of Board papers. The Executive Assistant is investigating with First Post. Some difficulty beyond teething troubles had been experienced with this service and an internal review of the service is taking place during October.</p>	<p>EA</p>

<p>2</p>	<p>The Chief Executive drew the Board's attention to the Scottish Housing Regulator's Consultation presently taking place. For the Board's interest, he drew particular attention to the SHR's more relaxed attitude to the appointment of senior staff to Boards, the potential for payment of non-executive Board members and recommended maximum periods for non-executives to serve on a Board. He noted that the document will be discussed by the TPC and at the forthcoming TPAS conference and asked for Board members comments by 15 November.</p>	<p>All</p>
<p>3</p>	<p>Members of staff are also reviewing the document and providing comments. Copies of the consultation document are available from the Executive Assistant.</p> <p>Due to the reduction in the rate of interest for funds on deposit with the Bank of Scotland, the Finance Director, having investigated other options, has arranged for the sum of £1m to be deposited with the Clydesdale Bank for a period of 6 months.</p>	
<p>4</p>	<p>The Board agreed the above action which was proposed by Janette Wallace and seconded by Margaret McIntyre.</p> <p>The Finance Director also proposed the Board agree to the opening of a Housing Association Bonus Saver Account with DBS/Nationwide for the remaining reserves.</p> <p>The Board agreed the above action which was proposed by Janette Wallace and seconded by Margaret McIntyre.</p>	
<p>13</p>	<p>DATE OF NEXT MEETING The next meeting will be held on Wednesday 23 November 2011 at 10.00 am at Bathgate.</p>	