

MINUTES OF THE MEETING OF WESLO HOUSING MANAGEMENT BOARD – NO. 189

**HELD ON 31 AUGUST 2011 AT 10.00 AM
AT 66 NORTH BRIDGE STREET, BATHGATE**

Present:

Peter Robson	Community Director (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
John Spraggon	Community Director
Janette Wallace	Tenant Director

In attendance: Anne Arnott Executive Assistant (Minutes)
Susan Anderson Bo'ness Housing Manager

The Chairman opened the meeting by welcoming everyone and introduced Susan Anderson, Bo'ness Housing Manager, Observer for this meeting.

		ACTION
1	APOLOGIES Apologies were received from Hugh Ruck.	
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 No. 188 were reviewed. Cllr Anderson and Cllr Ritchie to be added to the list of those attending the meeting. The Minutes were approved subject to the change and were approved by John Spraggon and seconded by Janette Wallace.	
4	MATTERS ARISING There were no matters arising.	

<p>5</p>	<p>OPEN MARKET PROPERTY PURCHASE SCHEME</p> <p>The Chief Executive introduced the paper, noting that at its meeting on 20 July, the Board requested that he formulate a policy to facilitate the purchase of properties for sale on the Open Market.</p> <p>He noted that the organisation have purchased three properties through this route and are currently looking at purchasing a further property.</p> <p>It was confirmed that valuations on open market properties are established by the use of Home Reports. If owners are under hardship and threat of homelessness we would recommend they use the MTR scheme. Properties purchased in this way are allocated in accordance with the organisation's allocations policy.</p> <p>The Finance Director confirmed that properties are purchased through Weslo Housing Management as Weslo Initiatives do not have access to funding.</p> <p>The Policy was approved by Margaret McIntyre and seconded by Cllr. Ritchie.</p>	
<p>6</p>	<p>AUDIT PROPOSAL FROM SCOTT MONCRIEFF</p> <p>The Finance Director introduced the paper and explained that Scott Moncrieff had been invited to tender for the provision of internal audit services for a further three years. He drew the Board's attention to the draft programme at pages 2 and 3. He noted that the areas to be audited will be reviewed year to year and there would be opportunities, over the period of the agreement, to insert additional items.</p> <p>It was noted that previous reports and front line management of previous audits by Scott Moncrieff had been very good.</p> <p>The Board approved the appointment of Scott-Moncrieff as internal auditors for the period 2011/12 to 2013/14 and that the Executive Team be delegated responsibility to agree the annual programme of work. This was proposed by Frank Anderson and approved by Eileen Porter.</p>	<p>ET</p>
<p>7</p>	<p>AUDIT PROPOSAL FROM BAKER TILLY</p> <p>The Finance Director introduced the paper and explained that Baker Tilly had been invited to tender for the provision of external audit services for a further three years.</p> <p>The Finance Director explained that, with the introduction of component accounting from April 2012, social landlords will have to depreciate various component elements of houses, such as kitchens, roofs and bathrooms over different periods, rather than the whole home over 50 years as at present. As our accounting year end is 28 February, we avoid this until 2013. It is a complex area and Baker Tilly will, by the time we introduce this in our own accounts, be well versed in this area due to their involvement with other RSL clients.</p>	

	<p>After some discussion concerning fees, the Board approved the appointment of Baker Tilly as external auditors for the period 2011/12 to 2013/14 and that the Executive Team be delegated responsibility to agree the annual programme of work. This was proposed by Frank Anderson and approved by Eileen Porter.</p>	ET
8	<p>5 YEAR FINANCIAL PROJECTIONS 2011</p> <p>The Finance Director introduced the paper which comprised of income and expenditure account and balance sheet projections, compiled at the request of the Scottish Housing Regulator, and which would show the Regulator that the organisation had good cash reserves and that assets matched liabilities.</p> <p>The Finance Director clarified a number of areas for Board members. The Board noted the contents of the Return and approved it's submission to the SHR.</p>	
9	<p>OUT OF HOURS EMERGENCY SERVICE</p> <p>The Operations Director introduced the report and explained that our options for out of hours emergency service provision had been reviewed in light of West Lothian Council withdrawing from this service.</p> <p>He noted that after a tendering process, McDougall Group had been appointed on a contract, to be reviewed in one year, which began on 26 August. . It is hoped that, as the new service includes a call by tradesmen to the tenant before making a visit to try and resolve the problem over the telephone, this will potentially cut down on visits and therefore, on costs. Additionally, the management information reported will provide more detail.</p> <p>The Operations Director would establish, and report back to the next meeting the percentage of calls received, dealt with in the first 45 minutes. The Board noted the contents of the report.</p>	OD
10	<p>REACTIVE MAINTENANCE COST ANALYSIS</p> <p>The Operations Director introduced the paper which provides information and analysis on reactive maintenance costs and notes comparisons between financial years 2009/10 and 2010/11 and noted the following:-</p> <p><u>Appendix 1</u> Private contractor costs for 2010/11 reduced by £89,000 from 2009/10. Transport, staff costs and gas maintenance costs for 2010/11 all show an increase on the previous year.</p> <p><u>Appendix 2</u> For a number of reasons it has been necessary to employ external contractors for emergency work and larger jobs. However, costs reduced from £205,121 in 2009/10 to</p>	

	<p>£106,821 in 2010/11.</p> <p><u>Appendix 3</u> The number of job lines issued in the year to 28 February 2011 increased by 1,265 from the previous year.</p> <p>An objective in our Improvement Plan, as requested by the Regulator, is that the organisation should make a comparison of the cost of our maintenance service being provided by an external contractor. The Operations Director will, next year, present a paper to the Board outlining these costs and relevant information, for the Board's consideration.</p>	
11	DIRECTORS REPORTS	
11a	CHIEF EXECUTIVE'S REPORT	
1	House sales continue to be slow.	
2	Sign off of the new agreement between the three parties of the West Lothian Development Alliance will take place in the next few weeks.	
34	The purchase of Station Road Armadale has not yet been concluded. We await approval of the Section 66 application submitted to the Scottish Housing Regulator.	
5	Heather Pearson is now lead partner for social housing and regeneration matters at HBJ Gateley, in place of Kate Dewar pursuing a different role within the company.	
67	At a recent meeting, Fiona Hyslop, MSP requested details of the VAT element of our recent maintenance spend. This is in relation to a Government thinking into the potential for relaxation of VAT for home maintenance work.	
	Proposals are being worked up on development opportunities, one at Douglas Drive.	
	Meetings are taking place with parties regarding PV solar roof panel initiatives for our properties which, if implemented, would result in a reduction in fuel bills for tenants and income for the organisation.	
11(b)	FINANCE DIRECTOR'S REPORT	
	<p>The Finance Director issued the Budgetary Control Report for the period ending 31 July and noted the following:</p> <ul style="list-style-type: none"> - Contractor costs for reactive maintenance are over original estimate at this point and will be investigated as part of the 6 month review. 	

	<ul style="list-style-type: none"> - Planned maintenance expenditure is behind profile but is catching up. - All final tenders and fees have been received for the work on the yard and refurbishment work has commenced. - Loan costs are on target. Funding on 3 month LIBOR is still at a good rate. - The funding with Dunfermline Building Society ends in November 2011 and the organisation is endeavouring to draw down as much as possible up to that date. <p>Elsewhere the variances from profile are relatively minor and the Finance Director expects little change in forecast outturn from the original budget figures. Revised outturns for items on the Budgetary Control Report will be produced following the completion of the 6 month review.</p>	
11(c)	<p>OPERATIONS DIRECTOR'S REPORT</p> <p>The Operations Director issued his report and the following was noted:</p> <p>The review of the staffing structure at the yard is continuing. Refurbishment of yard premises is slightly behind schedule. Some issues around health and safety on the site gave cause for concern but these should now have been rectified.</p> <p>Our lawyer has written to 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. A response is awaited. The owners will be required to bear some of the cost. The Board will be updated at its next meeting.</p> <p>The Board noted the Arrears Analysis Report for July 2011. Arrears for July are £137K, slightly down on the June figure of £167k but still showing an upward trend, last year's July figure being £115k. Housing Officers have gathered anecdotal evidence from tenants which indicate that increases in fuel, food and transport have had financial impact for some tenants. The Operations Director circulated an extract from the CIH Scottish Housing News of 30/08/2011 headed "Report Shows Scottish Households £11 per week worse off", the content of which reinforced this view.</p> <p>Consideration has been given to the process for carrying out repairs to voids in order to reduce void days. Major repairs will be carried out before the tenant moves into the property but to ensure properties are tenanted as quickly as possible, minor repairs will be carried out when the tenant has moved into the property.</p> <p>The Operations Director highlighted a change to the reporting of tenancies terminated – pages 9 and 10 of the report, which now shows, on page 11, properties which have been let. The Board agreed this was an improvement in reporting.</p> <p>The July figure for average rent loss per void is £246. The comparable figure for the same period last year was £206.</p>	

	<p>2011/12 Reactive Maintenance costs are showing an overspend of £50k. This is being monitored closely.</p> <p>The repair response time analysis for July showed one job not completed on time due to an error by a tradesman.</p> <p>The repair satisfaction analysis for July showed a 35.9% return with 3 negative comments which have all been followed up with the tenants concerned.</p> <p>The Operations Director drew the Board's attention to a new report – page 17 – which provided information on the measuring of standards and customer care by visitors to reception.</p>	
<p>12</p>	<p>ANY OTHER BUSINESS There being no other business, the meeting closed at 11.15.</p>	
<p>13</p>	<p>DATE OF NEXT MEETING The next meeting will be held on Wednesday 12 October 2011 at 10.00 am, followed by Schedule 7 Training for Board Members.</p>	