

**MINUTES OF THE 538<sup>TH</sup> MANAGEMENT COMMITTEE MEETING OF WILLIAMSBURGH HOUSING ASSOCIATION, HELD ON WEDNESDAY, 24<sup>TH</sup> MAY 2023 AT 6.00PM AT RALSTON HOUSE & ON TEAMS.**

---

**PRESENT:**

J. Scott	Chairperson
D. Eadie	Vice Chairperson
M. Symons	
C. Henry (from 18:30)	
A. Ballantine	
E. McDermott	
Cllr. M. MacLaren	
J. Kerr	
T. Thomson	
R. Coelho	

**IN ATTENDANCE:**

J. Grant	Chief Executive Officer
L. Ramsay	Head of Finance & Corporate Services
L. Reynolds	Head of Property Services
G. Scott	Head of Development
L. Ferrie	Head of Housing

---

**1. (a) Apologies**

There were no apologies received.

**(b) Declarations of Interest**

Cllr. M. MacLaren declared an interest in item 6 and would not participate in the item.

**2. (a) Minutes of Management Committee Meeting: 29.03.23 (No.537)**

The minutes of the Management Committee meeting held on Wednesday, 29<sup>th</sup> March 2023 (No.537) were proposed correct, on a motion proposed by M. Symons, seconded by D, Eadie.

**(b) Matters Arising**

There were no matters arising.

### 3. Asset Management Strategy

L. Reynolds presented the report, highlighting that the Asset Strategy had taken a comprehensive review of relevant data, including stock condition, health and safety and financial capacity, in line with the recently published guidance from the Scottish Housing Regulator. The Strategy confirmed an overall positive position, with good quality housing stock, effective tenant safety systems, robust investment plans and sufficient financial capacity to fund all investment and cyclical programmes. All housing stock also provides a positive financial contribution to the business plan. The direction outlined is to continue with a focus on tenant safety and maintaining existing stock to a high quality.

In terms of risks, the strategy supported a cautious approach to Net Zero investment, using a fabric first 'low regret' approach, until the new EESSH2 standard was finalised by the Scottish Government later this year. The Strategy supports increased investment in triple glazed windows and further insulation measures in 2023/24. As a result, the strategy is set for only one year and will be fully reviewed once EESSH2 is published and additional data can be collected on investment options. The challenges of improving the sandstone tenement stock to Net Zero was also highlighted and this will be a key part of the review process.

A member welcomed the Strategy and the positive findings of the review. While it was noted that the strategy would be reviewed for EESSH2/Net Zero, should there not be more direction outlined in the current strategy for Net Zero and can there be more clarity around the Net Present value (NPV) methodology?

L. Reynolds agreed that the NPV section would be made clearer. She also advised that the Net Zero focus was deliberately cautious while we await the publication of the new standard. She confirmed that the strategy was to review all investment plans as part of the review, as it was likely that the financial cost would be significant and potentially impact on other planned programmes. There is also a further review of energy data planned for this year, in advance of the new standard being published.

A member welcomed this clarification and asked if this could be added to the strategy document for completeness?

J. Grant confirmed that this would be added in.

A member welcomed the findings of the Strategy and the risk-averse approach to Net Zero investment. It is sensible to be cautious now and don't overcommit in the absence of the Scottish Government's guidance. There is risk to spending before knowing what is ultimately required.

### **3. Asset Management Strategy Contd.**

A member thanked L. Reynolds for the work completed and the assurance provided by the strategic review of the assets. Net Zero was the biggest risk and the review was an essential part of the future plans.

J. Grant asked if the Management Committee were content to approve the Strategy, noting the amendments were relatively minor and that a revised copy would include the amendments and would be shared with all members, in early June. This was approved, proposed by M. Symons, seconded by T. Thomson.

### **4. Annual Return on the Charter (ARC)**

C. Henry joined the meeting.

L. Ferrie presented the report, noting that several members had participated in the ARC review group on 18<sup>th</sup> May 2023, where all data was explained in depth. It was advised that data integrity was based on following the SHR's ARC guidance on how to calculate the performance and there was an audit trail for each measure. Overall, the results were positive. There was improvement in the measures that had been targeted last year, including SHQS compliance and tenant safety. This was particularly positive in the context of the cost-of-living crisis, recovery from the impacts of the Covid-19 pandemic and the changes introduced to the Association through the new Business Plan objectives.

A member thanked the team for the in-depth review of the data at the ARC review group meeting. This had provided more assurance and increased confidence in the statistical information.

A member asked if more benchmarking data was available, in order that comparative performance could be better understood?

L. Ferrie agreed this was useful and it would be added, over the course of this year.

A member welcomed the improvements in tenant safety and the quality of the housing stock. It was good to see the hard work of the staff coming through on the ARC return.

The recommendations were approved; agree the ARC return and submit to the SHR, proposed by D. Eadie, seconded by E. McDermott.

## 5. Five Year Financial Projections

L. Ramsay presented the report, highlighting that the financial reports are central to strategic decisions and are key documents to assist the Committee to review W.H.A.'s cost base and capital investment requirements as well as closely monitor the implications of spending on existing homes to address remedial safety works and energy efficiency improvements. The 30 Year plans were reviewed, in detail, in March 2023 and form the basis of the FYFP submission to the SHR. Assumptions have been reviewed and known variances have been built in the plans accordingly. High confidence exists for the investment plans following the completion of the new stock condition survey and the new Asset Management Strategy.

The drive to achieve Net Zero and the decarbonisation of heating is likely to bring significant future costs, the total cost of which at this stage remains unknown. Funding for further insulation, triple glazed windows and an unallocated general EESSH2 provision of £2m are included in the current plan. It is anticipated that, following the publication of the Scottish Government's revised EESSH2 target in the summer of 2023, total costs will be available for the 2024/25 Financial Plan.

The development projects at Cartha Crescent and North Road remain in the plan. However, these are under review, as the current return on investment is greater than 30 years, due largely to inflationary impacts on build costs. Work is continuing to identify mitigations, including reviewing rent levels for these new build projects.

The capital plan remains fully funded and there is no intention to utilise debt funding at present. The loan return to the SHR continues to reflect this.

A member asked if the pension costs are in the plan and if they are considered robust?

L. Ramsay confirmed costs remain in the plan, figures are received from our pension provider, and they are under review.

A member asked if the new build costs were the total gross cost of development?

L. Ramsay confirmed all known costs are included in the plan. G. Scott will provide further detail under item 6.

A member asked if the five-year projection was in effect only a one-year projection, given the need to review the asset plan for EESSH2 later this year?

## **5. Five Year Financial Projections Contd.**

L. Ramsay confirmed that the five-year projections are reviewed annually and the ESSH2 implications would be included, following the review process concluding.

J. Grant advised that work will also be completed in 2023/24 to review costs and opportunities for further efficiencies, as part of the planned Value for Money Strategy.

The recommendations were approved; to approve and submit the five-year projections and the nil loan return to the SHR, proposed by T. Thomson, seconded by A. Ballantine.

## **6. New Build Report**

G. Scott presented the report, noting that feedback from new tenants at the Albert Road development has been excellent and all homes are occupied. The development at Cartha Crescent remains in negotiations with Renfrewshire Council on new planning conditions and abnormal costs. This is taking longer than expected and is likely to result in a further delay to the project against the original planning assumption. The tender has been received from our contractor, with an, as expected, increased cost due to inflation and increased standards required for all new social housing. The Association's contribution to the overall cost is impacted by the level of grant rates available. These are under review by the Scottish Government, and it is expected that they will increase to reflect the inflationary pressures in the current market. We are also reviewing rent levels for new development, as part of the overall approach to value for money. The project remains viable, subject to a favourable conclusion to the current negotiations with Renfrewshire Council.

G. Scott also advised that the pilot project of strategic acquisitions, where the Association can buy properties on the open market, has not progressed to any purchases so far. The scheme requires vacant possession and the properties for sale all had sitting tenants. Unfortunately, no grant funding has been allocated to the Association to purchase properties in 2023/24 by Renfrewshire Council, although this may change later in the year, if other projects do not progress, and funds become available. The new Asset Strategy has identified a small number of hard-to-let flats for strategic disposal. These are also not factored, and the Association has no other properties in the common block. The funds from any sale would be used to purchase other properties that supported the asset strategy objectives.

A member asked if the cost for Cartha Crescent will reduce if inflation starts to reduce?

## **6. New Build Report Contd.**

G. Scott advised this would not be the case as the pace of the increase will slow, rather than the cost reducing. However, all mitigations to reduce cost are being considered.

A member supported the plan to sell flats that were hard to let and that would be difficult to improve to Net Zero standards, due to common works being required.

A member asked if receipts from sales can be used to purchase any type of property?

J. Grant advised that any sales and purchases need to be in line with the Asset Strategy and would likely require consent from the Scottish Government and the SHR. The plan is to purchase flats where the Association would become the majority owner in the common block and, therefore, enable critical investment work to be completed.

A member noted the increased costs of new build, as a result of higher standards such as mandatory installation of sprinkler systems. Will sprinkler systems become mandatory in existing homes?

G. Scott noted that this is not currently the case in general needs accommodation and is not planned. However, it could not be entirely ruled out, in the future.

The recommendation was approved, to use receipts from disposals to fund purchases on the open market, proposed by M. Symons, seconded by D Eadie.

## **7. Procurement of Windows Contract**

L. Reynolds presented the report, noting the tender bids received for the replacement windows contract, the new triple-glazed specification to support futureproofing for Net Zero retro-fit and the greatly extended lifecycle due to the quality of the product. Inflationary impacts had contributed to a significant increase in the cost of the contract compared to previous window programmes. The current financial plan has been developed with these new higher costs included. It was further advised that replacement windows had been identified as a high priority for tenants in the recent tenant survey. The windows will also contribute to improving the energy efficiency of homes and will help to reduce energy costs for tenants. The most economically advantageous tender bid was received by CCG (Scotland) Ltd.

A member welcomed the new specification of high-performance windows, which would meet the gold standard for energy efficiency. Will the new windows be installed with additional air-tightness elements?

## **7. Procurement of Windows Contract Contd.**

L. Reynolds advised that improving air tightness to some degree is expected to be part of the EESSH2/Net Zero standard. Each individual window installation will be overseen by the Association's technical staff to ensure the fitting is high quality. This installation does not have additional air-tightness elements, but this may be required in future programmes.

The recommendation to award the replacement window contract to CCG Ltd. and instruct the works was approved, proposed by D. Eadie, seconded by R. Coelho.

## **8. Chief Executive's Report**

J. Grant presented the report. A Notifiable Event had been submitted to the SHR for information, noting the transfer of W.P.S. to W.H.A. This has now been closed.

Procurement of the reactive repairs service is continuing, with various lots being taken forward. It is expected an award decision will come to the Management Committee in July 2023.

All Management Committee appraisals have now been completed. Individual plans and the overall Committee training plan have been prepared. These have a focus on a series of 4 core compliance training courses for all members, along with individual training identified by each member.

J. Grant reported that he had met with Unite union and ACAS to discuss terms for a future agreement and outline how to work together. The meeting was positive, and it was agreed that ACAS will produce a draft agreement covering the standard elements that includes trade union representation, facilities, consultation arrangements and handling of grievance/disputes.

L. Ramsay updated on the insurance renewal, noting increased cost and significant additional information requests. An update was also provided on TPT pension scheme benefits, accounting disclosures and survey results.

The Management Committee noted the report.

## **9. Assurance Statement: Self-Assessment Review**

J. Kerr left the meeting at this point.

J. Grant presented the report, noting the progress made on the areas for improvement, including the completion of the smoke detector installation programme. The rolling review of compliance completed by the senior team had identified procurement as a new area for improvement. Some gaps had been identified in practices, leading to inconsistencies in approach. An action plan is in place and activities already completed include a new procurement policy, staff training and a revised contracts register.

A member congratulated the property team for the improvements to tenant safety compliance that had been achieved.

A member welcomed the focus on self-assessment and the clarity on areas that require improvement. It was re-assuring that issues were being reported to the Management Committee in this way, with clear plans being outlined for continuous improvement.

A member agreed with the previous points and added that there is always room for improvement, and it is the right process to conduct regular checks.

The Management Committee noted the report.

## **10. Annual Complaints Report**

L. Ferrie presented the report, outlining the customer complaints received during the year and actions taken, in response. There remained a relatively low number of complaints received, reflecting the efforts made to provide good services. Performance achieved in the timescale targets for responding to complaints was also positive.

The Management Committee noted the report.

## **11. Annual Membership Report**

J. Grant presented the report, outlining the increase in membership and the planned focus on encouraging more tenants to join the Management Committee. The "Meet the Committee" event in July is a further step in this direction.

The Management Committee welcomed the focus on increasing membership and noted the report.

**12. Annual Fraud Report**

L. Ramsay presented the report, noting that there were no instances of fraud in the reporting year 2022/23.

The Management Committee noted the report.

**13. Any Other Business**

J. Grant noted feedback from the annual Management Committee appraisal meetings regarding the possibility of moving the Management Committee meetings from the last Wednesday in the month to the second last. This was to enable increased attendance.

It was agreed that, due to time constraints, this would be considered at the July meeting.

**14. Date and Time of Next Meeting**

J. Scott thanked everyone for their attendance and advised that the next scheduled meeting of Williamsburgh Housing Association's Management Committee would be held on **Wednesday, 26<sup>th</sup> July 2023 at 6.00pm (Hybrid)**.

**CHAIRPERSON:** .....

**DATE:** .....