

MINUTES OF THE 543RD MANAGEMENT COMMITTEE MEETING OF WILLIAMSBURGH HOUSING ASSOCIATION, HELD ON WEDNESDAY, 29TH NOVEMBER 2023 AT 6.00PM AT RALSTON HOUSE AND ON TEAMS.

PRESENT:

J. Scott	Chairperson
M. Symons	
Cllr. M. MacLaren	
T. Thomson	
R. Coelho	
E. McDermott	
D. Eadie	
A. Ballantyne	

OBSERVERS:

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IN ATTENDANCE:

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

J. Scott warmly welcomed the new observers to the meeting, which was followed by introductions from all present.

1. (a) Apologies

Apologies were received from J. Kerr and C. Henry.

(b) Declarations of Interest

Cllr. M. MacLaren declared an interest in item 5 and item 8, relating to Renfrewshire Council and would not participate in the item.

T. Thomson and D. Eadie declared an interest in item 7 and would not participate in the item.

██████████ declared an interest in item 8 and would not participate in the item.

J. Grant, L. Reynolds, L. Ramsay, L. Ferrie and G. Scott declared an interest in item 4 and would leave the meeting for this item.

2. (a) Minutes of Management Committee Meeting: 19.10.23 (No.542)

The minutes of the Management Committee meeting held on Wednesday, 19th October 2023 (No.542) were proposed correct, on a motion proposed by T. Thomson, seconded by M. Symons.

(b) Matters Arising

There were no matters arising.

3. Rent Review 2024/25

L. Ramsay presented the report, providing a comprehensive overview of the financial plan and projections. The financial plan had been comprehensively reviewed, stress tested and adjusted for planned future activity in preparation for the rent increase proposals to tenants. W.H.A. continues to demonstrate strong financial health overall, but with increasing cost pressures, particularly in maintenance and new build.

Three options were to be presented for consultation with tenants, with the recommended increase at 5.5%. Tenant affordability was a key consideration and W.H.A.'s rents remain comparatively low. Another key consideration is the need to ensure that W.H.A. retains capacity in the financial plan to invest in assets and services. W.H.A. has supported tenants through the last three years with a rent freeze and two increases significantly below inflation. While this has helped to mitigate some of the cost-of-living pressures on tenants, it has also reduced operating surplus and squeezed the margin.

A member thanked L. Ramsay for the thorough overview and asked if it was an option to go lower than 5.5%, with the continuing pressures on tenants cost of living? J. Grant advised that this had been considered but it was viewed as a financial risk to go any lower. The 5.5% was also below the October inflation rate so would continue to reduce income. The risk of a lower increase would be reduced investment. Tenants voted last year for the higher rent increase options, which supported the capital investment programme. It is a very difficult balance to strike because no one wants to see tenants struggling to pay rent or for W.H.A.'s homes to have necessary investment delayed.

A member noted that it is sensible to model the financial plan on the lower of the three options and ask tenants if they would want to go for a higher rate. Does the tenant consultation document make clear what each proposed rate of increase will deliver? L. Ferrie advised that the consultation would recommend the 5.5% but list the additional investment that could be funded by higher increases. This was the approach taken last year which returned a response from over 30% of tenants, the highest response achieved to date.

3. Rent Review 2024/25 Contd.

Two members noted the need to balance the ability to invest in homes and build new homes. A higher increase of 6% or 7% was needed. It was time to catch-up financially after 3 years of absorbing inflation. This was unsustainable any longer.

A member noted that even with the increase proposed, W.H.A.'s rents are significantly lower than those seen in Glasgow. The rents can increase and still be lower than elsewhere.

A member noted the impact of a large increase would fall most on working households and that W.H.A. provided an excellent welfare benefits service to support other tenants.

A member noted that communications around rent increases in other associations had been controversial last year, with some protests at other Housing Association's offices. J. Grant agreed it was a very sensitive subject and the consultation documents would be based on the successful new approach adopted last year.

A member suggested that the three options should be put to tenants but without a recommended option. This would leave it up to tenants to freely decide and for the Management Committee to consider the responses when making the final decision on the increase in February. This was supported by all members.

The recommendation was approved – to consult with tenants on three rent increase options of 5.5%, 6.0% and 7.5% but without a W.H.A. recommended option - proposed by M. Symons, seconded by D. Eadie.

4. W.H.A. Pension Consultation Results

J. Grant, L. Ramsay, L. Ferrie, L. Reynolds and G. Scott left the meeting.

The paper was taken as read with the Management Committee Members of the Pension Short Life Working Group providing a summary of events to date.

Following a robust discussion, the Management Committee noted the results of the staff consultation questions and comments and approved the pension proposal effective April 2024. (i.e. close the Defined Benefit scheme to future accrual and move to the new proposal detailed in section 3.4 of the pension consultation paper).

Staff will now be advised of outcome of Management Committee decision on the consultation and a change to contract issued to each Defined Benefit Scheme staff members.

4. W.H.A. Pension Consultation Results Contd.

Unions and TPT to be informed of decision and new scheme to commence April 2024.

5. New Build Programme

J. Grant, L. Ramsay, L. Ferrie, L. Reynolds and G. Scott returned to the meeting.

G. Scott presented the report, noting that the Cartha Crescent development had now reached a critical point. Land values had been agreed and a revised tender submission had been received. The cost of the development had increased because of inflationary impacts on the construction sector and long delays to the land valuation process undertaken by Renfrewshire Council. A cost/benefit review had been undertaken, showing that the development would now not provide a return on investment within the 30-year timeframe after completion, without additional grant subsidy. This would be applied for, but there was no guarantee of receipt. However, the development was still financially viable within the business plan, would provide much needed new social housing, would help to diversify the Association's housing stock and would help to reduce homelessness. While it was possible to suspend the development, this would incur reputational damage with key partners, potentially limit future priority for development subsidy in the SHIP, increase costs if the development was taken forward in the future and the costs incurred to date would not be covered by subsidy. Overall, it was recommended that the development should proceed.

G. Scott also highlighted that the context for development had changed radically since the current development plan was agreed. Rising costs, increased net zero standards and opportunity for purchasing from the open market, alongside changes to need and demand for housing, all made it necessary to produce a new development strategy for any future new build beyond Cartha Crescent. It was recommended that a new housing supply strategy be developed in 2024/25 and that no further activity be completed on the future North Road housing development.

A member agreed that the Cartha Crescent development should proceed, on the balance of risks and benefits. It was also sensible to review the new build strategy for future developments, including suspending North Road.

A member noted that costs had risen across all construction projects and the Cartha Crescent increase was in line with these. This was now the market rate for new build and was unlikely to reduce anytime soon.

5. New Build Programme Contd.

A member noted that the pros outweighed the cons for Cartha Crescent and it remained affordable. It was important to build new homes to meet housing need and reduce homelessness. But the future strategy and the North Road development should be reviewed as we will also have to contend with proposed new Net Zero standards.

A member asked why the land was to be used when it was poor quality? G. Scott explained the difficulties in acquiring land for social housing development and that it was usually brown field with a need to clean the site before construction. This had been the case with other W.H.A. sites. The land acquisition value had been significantly reduced to reflect the costs of cleaning up the site.

A member thanked G. Scott for the comprehensive report and the clear explanation of the risks and benefits. New homes were needed now, and the housing sector needs to show to the Scottish Government that it can deliver them. It is right to review the future new build plans and consider what is both affordable and needed for tenants.

The recommendations were approved – to purchase the land at Cartha Crescent from Renfrewshire Council, progress with the Cartha Crescent development subject to final grant offer from the Scottish Government, suspend any further activity on the future North Road development to allow a full options appraisal and review of the Association's development strategy to be completed in 2024/25 – proposed by M. Symons, seconded by D. Eadie.

6. Health and Safety Policy Handbook

L. Reynolds presented the report, explaining that the Health and Safety Control Manual is a comprehensive policy collection covering all aspects of the Association's business. It has been completely reviewed and aligned with W.H.A. health and safety policies. This follows guidance from EVH and the ACS Risk Group. The Manual is updated annually to incorporate legislative changes and good practice.

The Committee thanked L. Reynolds for all the work involved in developing the manual.

The recommendation was approved – to adopt the reviewed manual - proposed by E. McDermott, seconded by T. Thomson.

7. Procurement of Maintenance Services

L. Reynolds presented the report, outlining the tender process used to secure a contractor to deliver the bathroom replacement programme, during the financial year 2023/24 and to seek approval to accept the tender to secure a contractor to deliver the 5-year cyclical Electrical Testing programme in domestic properties and common close areas. Both procurements had been completed in line with procurement policies.

The recommendations were approved – agree to accept the Most Economically Advantageous Tender (MEAT) submitted by GD Chalmers Ltd. to deliver Electrical testing Services and authorise staff to accept the tender and progress the works with GD Chalmers Ltd.– proposed by J. Scott, seconded by T. Thomson.

8. Ralston House: Health and Safety Investment

G. Scott presented the report, providing an update on progress with the required health and safety alterations to the reception and interview rooms at Ralston House. Tenders had been received and a preferred contractor had been identified. The works would be expected to take a minimum of 6 weeks and the office would be closed for this period. In addition to the health and safety alterations, the design would improve the working environment for the customer service team.

A member asked if any staff consultation on the design had been completed? G. Scott advised that staff in the customer service team had input to the design and all staff had seen the proposals and these had been discussed at several staff meetings.

A member asked if screens should be installed at the reception desk? G. Scott advised that staff had not requested screens. CCTV, panic alarms and signage are in place already. Screens would be added if staff requested this, or if the risk assessment determined they were necessary.

A member asked about data privacy and the placement of computer screens near to the new internal glazing. Could visitors see private data on screens? G. Scott agreed this was a risk and the computer screens would be situated to ensure this could be prevented.

A member asked about the cost of the works and the general quality of the current office space and facilities. Had moving office been considered? J. Grant advised that W.H.A. own Ralston House and it is good value as opposed to renting another office. It is also based in the local community and, due to hybrid working practices, there is more space as staff are rarely all in the office. L. Ramsay added that, while the cost was significant, Ralston House had received little investment in the past, so overall spending on the office was low.

8. **Ralston House: Health and Safety Investment Contd.**

The recommendation was approved - to accept the tender from Ashwood Scotland Ltd. to carry out essential health and safety alterations to the interview rooms and reception of Ralston House – proposed by T. Thomson, seconded by R. Coelho.

9. **Chief Executive's Report**

J. Grant presented the report, highlighting that FLAIR CEOs had now started the Shared Services review, using Altair consultants. This is strictly an options assessment, seeking to identify areas where the associations can work together to provide better value for money for tenants. Any options identified will be reported back to each FLAIR association Board/Management Committee for consideration, expected in March 2024. An update on the SHAPS pension scheme was provided, noting indicative increases in the deficit on the Defined Benefit schemes, with a formal valuation expected in 2024.

The Committee noted the report.

10. **Minutes of Sub Committees**

Minutes of the sub-committees were provided for information and comment.

The Committee noted the contents.

11. **Any Other Business**

- (a) J. Grant reminded members that the Committee's festive dinner would be held on 7th December 2023 at 5pm.
- (b) L. Ferrie informed the Committee that W.H.A. had been commended at the Energy Action Scotland Fuel Poverty awards. The Committee asked that its thanks were passed on to all staff involved.

11. **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 **Friday, 12th January at 3:30pm, in person, at the Glynhill Hotel, Renfrew**. This would immediately follow the Management Committee's strategic planning away day.

CHAIRPERSON:

DATE: