

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED (WWHC)
MINUTES OF COMMITTEE MEETING ON FINANCIAL PRESSURES
HELD IN THE CO-OPERATIVE OFFICES AT 57 BELMONT ROAD
TUESDAY 12TH NOVEMBER 2019 AT 6.00 p.m.

COMMITTEE IN ATTENDANCE:

9 members in attendance

STAFF IN ATTENDANCE:

WWHC Director

WWHC Assistant Director Corporate Services

Apologies:

(CB) (HA) (DM)

PF updated committee on 3 matters. Firstly, the Multi Storey Flat (**MSF**) fabric issue. D&B Facades will give their investigative report after inspections at a meeting tomorrow at 11am in the **WWHC** offices. Secondly, the Stage 3 Grievance. **PF** has spoken positively to the staff member who is keen to discuss how to progress matters. They will meet with **PF** tomorrow at 2 pm. This is hopefully a step in the right direction. Thirdly, the Scottish Housing Regulator after receiving Assurance Statements has selected 10 organisations to visit, a cross section of size and geography. **WWHC** are not one of the ten.

MG circulated a report to committee about pension contributions. Committee discussed the report in detail. Committee decided not to consult on the removal of the DB:60 pension package and this could be revisited at another time. Committee also approved consultation on a pension contribution split **WWHC** 45% / Employee 55% (less the discounted value). Committee approved the consultation document which will be distributed to staff and **AA** signed the covering letter.

Committee noted the reports on Financial Analysis received before the meeting. **PF** updated committee on some matters for consideration before discussions took place. **WWHC** are still in profit and still offering a high level of service. Staff report that things appear to be improving in the profiling of Universal Credit payments and this appears to be turning the corner and has been better than anticipated. The Co-operative loan for the new build development was financed over 20 years from being taken out in 2009 but has repayments over 25 years meaning there will be a residual

balance which will need to be paid off or refinanced. Staff wages are subject to the EVH deal which is in its second year and could possibly mean a 1.7% uplift. Good news is that the insurance renewal rates for the **MSF** will be in line with inflation.

Committee discussed the outstanding loans and felt it was not in **WWHC** best interests to pay off the loans as this would seriously impair our reserves without much gains. Committee did decide to enquire about renegotiating our loan with the **Energy Savings Trust** to a more favourable rate.

The 2019/20 budget was also scrutinised for savings. The only saving identified from the budget was to reduce Multi Storey Flat window cleaning from twice a year to once a year a saving of approximately £16,000 per annum. Committee also acknowledged the need to tender the Repairs Contract which could potentially cost £20,000 a year more for less of a service. The Repairs Contract tender is likely to take place in February 2020.

Future priorities were also discussed, and various uncertainties looked at. Fire doors in the **MSF** complied with regulations at the time of installation but if new regulations were implied retrospectively this could cost **WWHC** £500,000. Remedial works to the **MSF** panels would hopefully be covered with defect liability but **WWHC** could have costs relating to this. If the government insisted on sprinklers being fitted in the **MSF**, the cost could be £7-8 million. There are also drainage issues adjacent to the playpark and kickabout pitch. Concierge costs to cover illness are also excessive and **PF** will letter concierge staff about the concerns and how they are not sustainable. Committee decided to postpone the kitchen and bathroom renewals for at least a year with any urgently needed, done as required. Committee did agree to go ahead with the office external cladding with the £20,000 cost being met from reserves.

The rent rise was next to be discussed. High service levels mean high costs and to cut costs would mean to reduce services. Committee recognise lots of tenants are having financial difficulties with rent arrears high. Committee realise the need to raise the rent given the current financial pressures on **WWHC** but also want to minimise the rent rise's effect on tenants. Committee thought a rent rise of between 2% and 3% would be right but will make a final decision later before it goes to tenant consultation.