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**MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF WISHAW AND DISTRICT HOUSING ASSOCIATION WHICH WAS HELD IN THE ASSOCIATION'S OFFICES AT 55 KIRK ROAD, WISHAW ML2 7BL ON TUESDAY 22<sup>nd</sup> NOVEMBER 2011 AT 6.00PM**

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**Present:** Eddie Mullen                      Chairperson  
Cath Brown  
Jean Fagan  
Bill Graham  
Charles Keeper  
Irene Love  
Jim Robertson  
Helen Russell  
Grant Kennedy                      Co-opted  
Cllr Sam Love                      Co-opted - NLC Representative

**Attending:** Anne Cooper                      Chief Executive  
Elaine Lister                      Assistant Chief Executive  
Andrew Whitehead                      Finance Manager

**Apologies:** Frank McKay

**Absent:** Liam McCabe

**Special Leave:** None

**Personal Interest Declared:** *Re Agenda Item 5.0 – 'Rent Increase' it was noted that two Board Members pay rent to WDHA, these being Eddie Mullen as sharing owner and Cath Brown as tenant.*

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**1.0 BOARD OF DIRECTORS – 8 NOVEMBER 2011**

**1.1 Minutes**

Proposed: Jim Robertson  
Seconded: Grant Kennedy

**1.2 Matters Arising**

**1.2.1 *Future of Shared Ownership Tenure and Open Market Purchase (Minute Item 1.2.1)***

The Board noted the report and that the offer for the dwelling in Louisville Avenue had been verbally accepted.

The Board also noted that the purchase of the dwelling in Millbank Road was proceeding although the dwelling appeared to be still lived in by the former owner.

The Board agreed that there was no need for the Assistant Chief Executive to report further on the progress of these purchases unless they were unsuccessful.

### **1.2.2 Right to Buy Extension (Minute Item 1.2.2)**

The Assistant Chief Executive presented the result from the consultation exercise on the proposal to submit an application for an extension to the current suspension of the Right to Buy. It was noted that of the 189 returned survey response forms, 55% of respondents had indicated that they did not agree with the proposal. However, it was further noted that this only represented 17% of all the affected tenants that had been surveyed.

Members also considered the comments made by respondents and noted that many comments made by those against the proposal centred on their own personal wish to buy their property and/or their feeling that having paid rent for a number of years, that earned them the right to buy their home at discount. Comments made by those that supported the proposal tended to focus on the social purpose of social rented housing and the impact the right to buy would have on the Association's ability to meet housing need in the area.

Members of the Board felt that it was important to remember that the Association existed to provide decent affordable rented housing for those that required it. Opting to sell the stock could seriously compromise the Association's ability to meet that objective. It was also pointed out that a great deal of time, money and effort had gone into providing new housing as well as ensuring that the older stock was renovated and maintained to the highest possible standard and it seemed to 'go against the grain' to sell it off cheaply.

It was also highlighted that it made no good business sense to sell off the Association's greatest asset and it was felt that the Association should take every step possible to protect the stock.

It was therefore unanimously agreed that the Association should submit an application to have the suspension to the Right to Buy extended for a further ten years.

[Assistant Chief Executive to advise on progress.](#)

### **1.2.3 Tenancy Sustainment Project (Minute Item 1.2.3)**

The Board noted that reports on progress would be submitted, but there were no further developments for the time being.

[Assistant Chief Executive to advise on progress.](#)

#### **1.2.4 Scottish Housing Regulator Consultation (Minute Item 1.2.4)**

The response was complete and intended to be submitted tomorrow (23 November). A copy would be circulated to the Board.

#### **1.2.5 Pension Review (Minute item 1.2.5)**

The Board noted that staff had met on 22 November and were voting on the level of CARE scheme they wished to be offered as an alternative alongside the final salary scheme.

[Chief Executive to advise on the outcome](#)

#### **1.2.6 Hoardings at Development Site at Main St, Wishaw (Minute Item 7.1)**

The Board noted that arrangements were now proceeding in relation to this. There would be no further reports pending successful completion as soon as possible.

## **2.0 CLYDESDALE BANK BUSINESS INTERNET BANKING**

The Finance Manager explained that the Clydesdale Bank were requiring that the Association update to its new arrangements for internet banking with the only alternative being to move to another bank. The Board agreed to the change in contract terms and conditions as presented in the report.

## **3.0 THIRTY YEAR FINANCIAL PROJECTIONS**

The thirty year projections were discussed and it was noted that the figures indicated that an annual rent increase of RPI would be sufficient to maintain a healthy cashflow over the period. However, this was subject to the continuing validity of the assumptions, and the Finance Manager confirmed that these would be reviewed annually, particularly in times, such as currently, when the external operating environment had the potential for significant impact.

The Finance Manager stated that he had assumed that the development programme would end following completion of the Main Street development. It was noted that the financial effect of this was positive in that development put a strain on the cashflow due to the need to front fund and due to the increased cost of borrowing.

The Board stated that one of the Association's main objectives was to continue to be a developing Association if the opportunities were both present and viable.

#### **4.0 DRAFT BUDGET PROPOSALS**

The Finance Manager explained the assumptions made in the draft budget figures. He also reiterated that the adoption of Component Accounting would alter the way the Income and Expenditure Account and the Balance Sheet are presented in the future. He explained how Planned Maintenance costs which had previously been included in operating costs would, under Component Accounting, be capitalised. The annual charge against the Income and Expenditure Account would in future be by way of a depreciation charge. He clarified that he could not yet show the impact of these changes in the budgeted figures as he was still working on the adjustments.

There were a few questions about Component Accounting and about some of the costs included in Management Costs. There were no changes asked for to the draft figures but it was agreed that the final rent increase figure would be considered later under agenda item 5.0 and that any salary increase, currently at zero in the draft budget, would be negotiated in the New Year.

The Board approved the draft proposals but acknowledged that changes would have to be included in the final budget figures once the rent increase and salary position had been agreed.

#### **5.0 RENT INCREASE 2012 /13**

The Board noted the report highlighting the points that should be taken into consideration when discussing the percentage increase that was to be applied to the rents for the next financial year. The Board agreed that the Association should continue to develop whenever possible and appropriate and this commitment would also influence the decision on rent levels.

Members discussed the balance between the need to safeguard the Association's financial viability and the desire to avoid putting any additional financial pressure on tenants by raising the rents to high levels. It was noted that the Association had some of the lowest rents in North Lanarkshire and last year had an increase less than inflation. It was also noted that putting rents up by too much may, potentially, make them more expensive than a mortgage for some tenants, thereby increasing the demand for Right to Buy.

The role of the Prompt Payment Scheme in assisting tenants who paid rent was also discussed and the Board expressed their desire to increase these payments to help alleviate some of the financial effects of any rent increase.

Some members expressed the wish to have an increase of less than the current rate of inflation (5%) and it was felt this would be a good PR exercise. However it was recognised that there were increasing pressures on the Association to provide expensive tenancy sustenance services as well as the fact that the Association's general costs were also increasing. An increase that was significantly less than inflation could therefore have a deleterious effect on the Association's ability to maintain its current standard of services. It was therefore agreed that the increase should be as low as possible but high enough to still allow the Association to maintain its current service levels, remain financially viable, and retain the income capacity to develop new housing in the future.

After detailed discussion it was agreed to consult with tenants on a rent increase of 4.75%, this being just slightly below inflation, and to defer further discussion on the Prompt Payment Scheme to the next meeting.

## **6.0 STANDING ITEMS**

### **6.1 Membership Issues**

#### **6.1.1 *New Membership Applications***

There were no new membership applications.

#### **6.1.2 *Cancelled Memberships***

There were no memberships to be cancelled.

### **6.2 Register Inclusions**

The Board noted that there were no register inclusions.

### **6.3 Risk Management**

There was no update to the current risk profile.

### **6.4 Knowledge Enhancement**

There was no business under this item.

### **6.5 Lanarkshire Voluntary Housing Forum**

There had not been a meeting for a while but one was now scheduled for 30 November.

### **6.6 Publicity**

There was no business under this item.

### **6.7 Correspondence**

There was no business under this item.

## **7.0 ANY OTHER COMPETENT BUSINESS**

There was no other business.

*The meeting closed at 8.00 pm with a vote of thanks to the Chair.*