

**MINUTES OF THE MEETING OF
SPECIAL MANAGEMENT COMMITTEE HELD ON
WEDNESDAY 16th APRIL 2025 AT 6PM
HYBRID MEETING**

MEMBERS PRESENT: Keith Kintrea (Chair)
Audrey Flannagan
Iain Robertson
Paul Callander
Elnimiery Khalifa (Khalifa)

IN ATTENDANCE: John Quinn, Director
Alan McDonald, Head of Development & Property Services (HDPS)
David Robb, Head of Finance & IT (HFIT)
Claire McGraw, Head of Tenancy Services
Olwyn Gaffney, Chief Operations Officer, SHARE
Peter Freer, Allia C&C (joined 7pm)
Liz Campbell, Minute Secretary

1)Apologies

Ghazala Hakeem, Gary Paton, Mujeeb Ur-Rehman and Barbara Robertson

Leave of Absence

[REDACTED]

2) Declarations of Interest

None

3) Minutes of Management Committee held on 12th February 2025

Matters Arising - It was reported that John Mulholland will attend the June meeting to present Business Plan

On page 5 “The agenda had been revised” should be moved to tenant information sessions was well attended

On Page 8 – the heading for item 9 should be moved to page 9 so the heading is not over 2 pages

On Page 9 – the heading for item 11 should be moved to page 10 so the text is next to the heading

The minutes were proposed by Audrey Flannagan and seconded by Elnimiery Khalifa

Minutes of the Special Management Committee held on 27th March 2025

It was requested that the wording be changed at Appendix 2 and the following sentence added - The conclusion from the independent investigation carried out by Paul Hillard was that [REDACTED] had breached the Association's Code of Conduct *and some of those breaches were serious.*

It was noted that there was a spelling error in the next paragraph principle should be *principal.*

With these changes taken into consideration the minutes were proposed by Paul Callander and seconded by Iain Doherty.

4) Presentation & Introduction to Committee Member Appraisals 2025 – Olwyn Gaffney, Chief Operations Officer, SHARE

Olwyn thanked members for the invitation and allowing her to attend tonight's meeting. She gave a presentation on member appraisals for Management Committee, so members were informed of the process the Association wishes to adopt for this year, and possibly in future years as a mean to provide Committee members with an appraisals process.

Olwyn stated that this process is carried out so that Committee Members understand their roles and responsibilities and how their contributions made a difference over the previous year. It also helps members to identify what their strengths are and things they may need some support with and is a way to reflect on their learning and development over the last year.

This process is carried out as Committee Members are responsible for the strategic direction of the Association and it is good to get an overview of the skills, knowledge and expertise of members of the Management Committee.

The Scottish Housing Regulator (SHR) also states this is important as part of Regulatory Standards 6.2 and 6.3.

Olwyn will observe the meeting and along with the draft survey that has been sent out to members, will use that information to feed into the report. Members are asked to complete the survey. After that there will be one to one meetings held with each member. This will help shape Individual Learning Statements for each member. These are private to each individual member.

The Individual Learning Plan is for each individual it will also help provide an overall view on the learning needs of the Committee as a whole. In the report to the Director and Chair

members will be identified as a group. Olwyn stressed that the comments made in the survey are confidential and members are not identified as who said what.

If someone has been a Committee Member for more than nine years, there are some extra questions in the survey for them. This is around how do you remain effective as a member of a Housing Association given that housing is always changing.

The survey also asks if anyone would be interested in becoming an Office Bearer in the future and if anyone is considering stepping down so there is succession planning in place.

A 360 review will be carried out for the Chair. The Chair also completes a self-reflection survey.

Members were asked to think about the questions in the survey, why they have answered each question the way they have and to try to remain objective. Members were also asked to think about the learning they had undertaken and conferences they had attended. It should take around an hour to complete the survey.

There are also one-to-one meetings and Olwyn is happy to do this by telephone, in person or virtually.

It is hoped the survey will be distributed by 21st April and be completed by 9th May. One to one meetings will start on 12th May and a report given at the meeting on 20th August.

If there are any questions that arise after the meeting Olwyn invited members to email her.

It was asked if it would just be Olwyn carrying out the appraisals and it was reported that that would be the case.

It was stated the previous Chair sat in on the one-to-one meetings. However, the Chair stated he was happy not to attend as people may speak more freely if he was not there. SHR stated they were happy if the Chair did not take part in this part of the process.

Thanks were given to Olwyn for attending and her presentation.

Olwyn's report finished at 7pm but she stayed to observe the rest of the meeting.

5) Strategic Review of Borrowing

Report by David Robb, HFIT with support from peter Freer, Allia C&C

Peter Freer of Allia C&C joined the meeting at 7pm. Peter's presentation had been circulated before the meeting.

The 2025/26 budget shows the need to borrow money to fulfil the Asset Strategy and development opportunities, at 159 Butterbiggins Road and Forsyth House, over the next ten years. The issue with the restrictions on the Barclays loan covenant also needs to be resolved.

Peter stated that he had been discussing this issue with the Head of Finance & IT (HFIT) for some time.

An additional factor for consideration is the loan covenant which was varied for 2024/25 for existing Barclays loans. Due to the level of investment spending this will cause similar problems in each of the next five years. The details of this are listed in Appendix 1.

This can be addressed by the mechanism used in 2024/25, where a covenant waiver was issued by Barclays, but this was a long, drawn-out process. A permanent waiver could be explored but a 5 year waiver may also be offered by them.

Another option could be to raise funds from another lender and repay the Barclays loans. At present this is around £8.8million.

There are a few possible options and members must think how best to approach the requirement to raise £8.86million for the year 2025/26.

Charity Bank and CAF Bank are existing lenders, and it is proposed to borrow the amount for 2025/26 from them. It should be noted this would take us to the maximum lending limit for each of these lenders.

It was suggested that the Association access Government Bond Finance to fund the development at 159 Butterbiggins Road. Allia C&C manage this programme and have already noted the Association's interest in borrowing money from this programme. This does not mean we must use this option.

There are other potential lenders such as RBS, Nationwide Unity and Triodos Bank. These are good options and the market is competitive. A slide was shown which gave an indication of what is required now and later, what needs done and the future approach to be taken to ensure that funds are in place at the correct time.

Peter stated that the covenant should be managed to our satisfaction and not at Barclays direction.

It was asked would having several lenders make things complicated and could we not borrow from just one lender. It was replied that there can be a counterparty risk if an issue arises, and maybe a reputational risk of that lender. If we had two lenders who were easy to deal with and who aligned to what our values are and who we already had an existing relationship with this makes borrowing faster and easier. However, Charity and CAF Bank

have lower lending limits than say RBS. Barclays are currently lending on a five year revolving credit facility and can't offer longer term loans.

It was asked is there a limit to how many lenders you can borrow from. It was reported that there was not, but you have to take into consideration the administration of each loan.

It was asked if we are considering ten-to-fifteen-year loans. It was stated that maximum term would be twenty-five years and there should be four or five offers of lending at that term. It is important to consider what Committee risk appetite is and what level of risk are they comfortable at as there are lots of elements to take into consideration.

It was asked what the cost would be to disengage from Barclays. It was reported the costs for a new loan agreement would be the legal fees, arrangement fees and the security required for that loan. If Barclays were to be paid off, we don't need to use same security that they hold for a new lender.

It was asked how long it would take to borrow from a new lender. It was stated that it would take around four weeks to process a tender and then a new lender can be selected from that. It would then take around three months to get the loan agreement ready. The security for the loan takes a bit longer to arrange. So overall we should allow for three to six months for the process.

It was also stated that if a covenant waiver was secured from Barclays the loan could still be repaid early, and we don't need to wait for the term of the covenant waiver to expire before repaying the balance.

It was reported that CAF Bank, Charity Bank and Triodos or Unity Bank could be a good fit for our ethical values.

Agreement was given to finance Year 1 to maximise borrowing requirements from CAF Bank, Charity Bank and seek to borrow from Bond Finance and begin work to procure finance for Year 2 requirements and engage with Barclays to address the issue of the Covenant major repairs clause. HFIT will start to prepare details for collateral security for future borrowing.

Head of Finance & IT will bring a report about Barclays funding and other possible lending options to a future Management Committee and F&GP meeting with a view of going to lending market after September 2025.

Thanks were given to Peter for his presentation and attendance.

Peter Freer left the meeting at 7.25pm

There was a general discussion about having funding in place as general succession planning if HFIT should leave the organisation and how the ethical aspect of some of the potential

lenders ties in with our values. It was also mentioned that Charity Bank has provided Sharia compliant financing and HFIT would like to explore this as the profit would go back into the organisation, and he would be keen to explore that option. It was asked if HFIT had enough resources to deal with this as there is a lot of communication involved. HFIT reported that he has but will revert to Committee if that ceases to be the case.

6) Confirmation of Factoring Increase

A 2.7% increase of 2.7% was implemented for rents, service charges and commercial rents but it did not explicitly confirm the increase in factoring management fees. It is proposed that these fees should increase by 2.7% in line with the Associations other charges.

It was asked what the factoring fee was. It was reported that the management charge was £0.25million per year. This covers investment and the admin costs for the management of fees. It covers costs of the Factoring team but not the cost of the work undertaken by Maintenance Inspectors and does not generate a large profit.

It was asked if the increase was usually agreed as part of the agreed rent increases, but it was not included in the papers for consideration at the previous meeting.

A comment was made that there shouldn't be profiteering, but the management fee should cover the cost of the Factoring Team. It was stated that we don't charge ourselves and factor our own closes. We also pay external factors but do not recharge this and see the benefit of the work done by Maintenance Inspectors with repairs etc. It was reported that the average Factoring management fee is £165 per year. Insurance and Service Charges are an additional cost to this.

Approval was given to increase Factoring Management fee by 2.7%.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





8) Assurance Action Plan (Half Year Update)

It was reported that the assurance process was revised last year and an Assurance Working group was formed. This paper is to note the progress made to date and note the work that is ongoing.

A comment was made that there were a lot of blank spaces but as we are only halfway through the year. It was reported that HTS and HCSHR are working on charter information.

It was asked if anyone else would be interested in joining the Assurance Working group that they contact HTS or HCSHR. Two people have already noted their interest in this but more members would be welcome.

The progress to date was noted as well as that there was a lot of matters that had not progressed.

9) Policies for Approval

Property Sustainability Policy

This is a companion document to the Association's Asset Strategy. The Strategy and Action Plan considers how to improve our property portfolio's performance in relation to how it is managed and invested in. This is through four main areas of activity:

1. Development Activities
2. Property Maintenance
3. Services Delivery & "Wider Regeneration" Activity
4. Organisational Management

At the moment there is no baseline for how much carbon our stock creates. This information will be collected using EPC data and surveys of how external wall insulation is performing.

The main issue is that much of our stock is pre 1919 tenements.

In March 2025 our compliance with EESSH (Energy Efficiency Standard for Social Housing) standards was 87.6%. This is an increase on previous figures and is due to the investment made in internal wall insulation and the work in South West Govanhill improvements.

Our factored stock will also be looked at.

Discussion took place and one member commented that we also need to look at suppliers and materials used. It was reported that Mears had purchased a reader to do that so the externals of tenemental properties could be assessed.

A comment was made that there was lots of good information in this draft policy, but the member felt that it was not clear as a strategy and does not give a clear picture of the issues being faced. Some of these issues can be addressed but some are out with our control. It needs better analysis of what the sustainability issues are, what are our objectives and what the strategy is.

The comments made were taken on board and agreement given not to publish this strategy. The Action Plan will be used as a working document and a Sustainable Strategy will be developed for information and further discussion. It was stated that the data on a baseline carbon output was important, but our wider knowledge and experience of the area would give better data.

One member offered to send HDPS information from a database that held baseline EPC data that would help get that baseline data.

Neonatal Care Leave & Pay Policy

This is based on EVH Policy. This is to clarify the Association's position if someone loses a baby in early pregnancy. Legislation grants leave for someone who loses a baby after 24 weeks of pregnancy but not before and we would like to be clear that we recognise the loss suffered before that date by granting specific leave for this.

Approval was given for the Neonatal Care and Pay Policy and approved clarification of our commitment to offer paid leave to those who miscarry before 24 weeks of pregnancy.

10) Procurement

178 Allison Street, SWG Upgrade to 5 flats – Contract for Approval

This contract will refurbish five flats acquired through SWG programme. The costs are slightly higher than anticipated but the work will give us four large three bedroom flats and one five bedroom duplex with two bathrooms.

The specification for the plaster has changed and saved £30k. Smaller elements have been changed and should save £20k of the cost price.

Contract Building Services (CBS) Ltd are working well on other contracts for us and they can easily move staff over to this project.

Checks have been carried out through Dun & Bradstreet Financial reports to assess risk and the findings for CBS is at an acceptable level of low-moderate risk.

Approval was given to accept the tender for the refurbishment of five flats at 178 Allison Street from Contract Building Services (Scotland) Ltd at the cost of £704,141.03 plus VAT and that a formal building contract is put in place between the Association and the contractor.

11) Notifiable Events - This is a standing item on the agenda

It was reported that we have 5 notifiable events since last meeting. Two relate to the investigations and one is now closed after SHR notified of result. After tonight's discussion the other one will be closed. Notification of the change of Auditor is closed. Breach of Covenant is still ongoing and 200 Butterbiggin Road is still ongoing.

200 Butterbiggin Road Update - This has been a long journey, but a resolution has been found. The cladding and paint failed, specialist surveys were carried out and advice sought from a fire engineer.

The proposed solution is to carry out work on the gas ventilation system and install a fire suppression system(sprinklers).

Legal advice has been sought from TC Young and they confirmed what we initially thought. The building was coated in 2012 and action arising from that should take place within 5 years. There are many obstacles in our way to take further action.

- This includes that we don't hold the contract documents, and the Architect doesn't have it either. Documents are normally stored for 7 to 10 years, and we are now 15 years down the line.
- We don't have a signed contract for the Clerk of Works who worked on the project.
- TC Young would have a conflict of interest if we sued the Clerk of Works as he works for an organisation they represent.

In light of the formidable time bar and the matters described above there is no reasonable prospect of recovering anything from any of the other parties.

Sueing for breach of contract would also prove difficult. It was reported that tenants are becoming unsettled and asking if they are going to be decanted.

There are various safety factors already in place. This includes floor and ceiling compartments having 1 hour fire protection and the front and rear doors having 30 mins fire protection.

The fire suppression system would give 1 hour fire protection.

As long as the fire suppression system complies with regulations the proposal is to retrofit this system.

Some repairs are required on fire doors and an electrical cupboard and the procurement process for this is already in place. SHR need to be updated and reassurance given to tenants. This may include offering one off moves and this in turn will also release properties for rent that have been held in case decants were required.

The work on the external cladding is due to start in 4 weeks' time. Fire suppression system should be fitted by end of May. An update will be provided at June meeting and everything should be complete by the end of October.

It was stated there is ongoing work to scan the relevant documents held and there is a more robust system now in place.

Approval was given to install a fire suppression system.

Thanks were given to HDPS for his work on this complicated process that involved multilateral discussions and investigations.

12) Submission of Returns – Standing Item

None

13) Health & Safety – Standing item

Nothing to note

14) Minutes of Sub Committee Meetings – For Information

None at this meeting

15) Report Back from Other Organisations

Employers in Voluntary Housing (EVH)

None

Glasgow & West of Scotland Forum of Housing Associations (GWSF)

SHARE

None

16) Documents for Formal Execution

Contract for Citytech to be signed and approval given for Audrey Flannagan to sign this.

When contract for 178 Allison Street is ready approval was given for that to also be signed.

17) Correspondence

None

18) A.O.C.B

The previous tenant of the 3rd floor office at Samaritan House submitted notice to end their lease. This space is owned by GCDT. There is a proposal that the Association may wish to take on the lease of this space on a month-to-month lease basis. The monthly rental cost is £2300. This will be discussed at the GCDT meeting next week. A paper on this may follow at a future date.

Next Meeting – this is on 28th May 2025. Keith Kintrea will be on holiday and the meeting will be chaired by Audrey Flannagan.

19) Date of Next Meeting

28th May 2025 at 6.30pm

The meeting closed at 8.42pm