

**LINTHOUSE HOUSING ASSOCIATION LIMITED  
MANAGEMENT COMMITTEE MEETING  
Minute of a meeting held at  
1 Cressy Street, Glasgow and via Zoom on  
Tuesday 6th December 2022 at 6.00pm**

**PRESENT**

Alec Leishman, AL  
David McGeoch, DM  
Sheila McGeoch, SM  
Collette Ness, CN  
Mary Ray, MR  
Susan Brown, SB  
Frank Murphy, FM  
Heike Bley, HB  
Paul Phin, PP  
Marc-Andre Schmitz, MAS  
Carrie McCafferty, CM  
William Pritchard, WP  
Graham Gillespie, GG (via Zoom)  
Fumni Fajemiseye, FF (via Zoom)

**IN ATTENDANCE**

Irene C. McFarlane, IM (Chief Executive Officer - CEO) (via Zoom) joined meeting at 18:05  
Bryan McMahon, BM (Director of Property Services – DPS –  
Andrea Walker, AW (Director of Housing and Community Empowerment - HCET)  
Fettes McDonald, FMD (FMD Financial Services)  
Alison Greig, AG (Corporate Services Manager (CSM) & Minute Taker)  
Emma Shaw, ES (Corporate Services Assistant - CSA)

<p><b>1. APOLOGIES</b></p> <p>1.1 Catherine Rush sends her apologies for this meeting.</p>
<p><b>2. DECLARATIONS OF INTEREST</b></p> <p>2.1 All Committee Members present at the meeting confirmed that there were no declarations of interest.</p> <p>2.2 Staff have an interest in an item to be raised for discussion under AOCB and will be asked to leave the meeting at this point.</p>
<p><b>3. DECLARATIONS OF ETHICAL BEHAVIOUR &amp; NOTIFIABLE EVENTS</b></p> <p>3.1 All those present at the meeting confirmed that there were no breaches of ethical behaviour that they were aware of.</p> <p>3.2 AG confirmed that there is a notifiable event relating to the appointment of the new internal auditor. AG confirmed this has been logged and expect it to be closed once the approved minute which notes the appointment is submitted to the regulator.</p>
<p><b>4. MINUTE OF PREVIOUS MEETING ON 25 OCTOBER 2022</b></p> <p>4.1 No changes to the minute were requested. FM proposed the minute as accurate and this was seconded by DM.</p> <p>4.2 Committee <b>APPROVED</b> the Minute of 25 October 2022.</p>

## 5. MATTERS ARISING, ACTION POINT REGISTER

### 5.1 ACTION POINT REGISTER

5.1.1 No Comments were submitted on the Action Point Register

5.1.2 Committee **NOTED** the Action Point Register.

## 6. DRAFT MEETING SCHEDULE FOR 2023

6.1 Committee members considered the draft meeting schedule for 2023. AL proposed changing the meeting dates in December for the Staffing Subcommittee and the Management Committee. No objections were lodged to this change.

6.2 AL noted that there is a single-issue meeting to take place in January as a result of announcement on the current rent freeze and as a result the normal winter recess will be moved to April.

6.3 Committee **APPROVED** the Meeting Schedule subject to changing the Staffing Subcommittee to 05 December and the Management Committee to 12 December.

## 7. QUARTERLY MANAGEMENT ACCOUNTS TO 30 SEPTEMBER 2022

7.1 FMD presented the report to the Management Committee, noting that it had been considered by the Audit and Assurance Committee (AASC) at the meeting on 22 November 2022 and no issues had been raised by AASC members.

7.2 FMD highlighted that there is a budgeted deficit of £81,000 for the quarter, however actuals are now placing this at £37,000, giving a positive variance of £44,000 and the individual elements that make up this variance are mentioned within the covering report.

7.3 AL invited GG as Chair of AASC to draw attention to any particular parts of the report or AASC discussion. GG reiterated that there were no concerns and while there are a number of variances these are a result of timing of work being done and AASC were comfortable with the report.

7.4 CN asked about cyclical maintenance and noted that this was a large variance on what had been budgeted and if the work planned was going to be carried out. BM advised that work on cyclical maintenance had been carried out this year but still playing catch-up from the previous year and it is likely some of the work will be carried into 2023/24.

7.5 IM noted that one item raised at AASC not in the report was that two large pieces of work will not be carried out this year and sought for AASC to recommend a variance to the budget for the money allocated to this work to be reallocated to acquisitions. We now know that NRS will provide a [REDACTED] grant for acquisitions that will support out tenement strategy and acquiring large family homes. MR ask for clarification on whether the grants are for 3-bed properties or for any property. IM confirmed that the [REDACTED] grant is available for acquisition of pre-1919 tenements which will give LHA a majority ownership in the closes and for 4/5 bed properties which will be available for section 5 referrals. NRS have given LHA Special Area Status which allows these acquisitions to take place and also provides a [REDACTED] grant for bringing the properties up to standard.

This item is confidential as it is commercially sensitive, and publication would harm commercial interests

7.7 Committee **NOTED** the request and **APPROVED** the variance to the budget.

7.8 AL took this opportunity to discuss a variance to the purchasing power of LHA. Previously staff have had authority to go [REDACTED] above market value for acquisition to ensure offers are attractive to sellers. However, given current market and the opportunity of the [REDACTED] grant he is proposing that this authority is amended to allow for [REDACTED] above market value, on the understanding an offer would never go straight in at this amount it is only there as an option to remain competitive within the market. This item is confidential as it is commercially sensitive, and publication would harm commercial interests

7.9 After some discussion on how the market has changed in the past 6 months, Committee **AGREED** to set the offer limit at [REDACTED] above market value and if need to go above this amount a business case can be made to committee for decision.

7.10 MR asked whether LHA were approaching owners with potential to buyback the property. IM confirmed that all owners in pre-1919 tenements were being lettered and that the larger property acquisitions will be as they become available.

7.11 PP asked, if all owners chose to sell would LHA be able to take these on. IM confirmed that the grant amount sought from Glasgow City Council (GCC) would be enough to facilitate this but will always be tactical about which properties to purchase.

7.12 Committee **APPROVED** the Quarterly Management Accounts to 30 September 2022.

## 8. DRAFT ANNUAL BUDGET

8.1 FMD presented the budget to committee noting that the main items to note are contained within the covering report and that the information in the budget is based on best estimates of what is known at the time but as always there are changing factors which will come into play between now and the final budget presented in March 2023.

8.2 FMD confirmed that while there is a budgeted deficit for the year he is not overly concerned with. In addition to this there have been previous years where a deficit has been budgeted and the actuals came out with a surplus and if need be, options on deferring spend can be looked at as the year progresses.

8.3 FMD reiterated that all the main points of the budget are contained within the report and invited questions from the committee. No questions were submitted.

8.4 Committee **NOTED** the Draft Annual Budget.

## 9. LOAN FINANCE OFFER

9.1 FMD provided the committee with an update on an offer from Unity Bank, current loan provider, for a loan of [REDACTED] as part of their decarbonisation fund. FMD confirmed that this offer is being made on the basis of a 1% margin where other offers are likely to be on a 1.5% margin.

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9.2 After a short discussion Committee **AGREED** for FMD to pursue the offer on LHA behalf and there would be no need to go out to tender for this loan financing based on this offer.

## **10. ANNUAL RENT REVIEW 23/24**

10.1 AW presented the report to Committee, noting the position that had been taken by Scottish Government this year and that since issuing this report some of the updates provided had now changed. AW advised that GWSF and SFHA have provided a revised Statement of Intent which looks for an average increase of 6.1%. However having considered this, the projects planned by LHA and the impacts on tenants we are proposing a 5% increase for 23/24.

10.2 AW reminded Committee that LHA is still going through the rent harmonisation project and as of 01 April 2022 40 rents were still to reach their target rates. If a 5% increase is applied, it would leave 6 rents still to reach their targets as of 01 April 2023.

10.3 AL asked when consultation would take place. AW confirmed that preparation of the information had already begun, although still waiting on confirmation of information from Scottish Government, and as soon as this is available the draft consultation will be finalised and issued to tenants in the new year. In addition to this have already sent out an information leaflet advising that the rent freeze only applies up to 31 March 2023 and it is necessary to consult for the 23/24 year and will be looking to hold drop-in sessions and online surveys to make the consultation more accessible.

10.4 IM advised committee that the proposed increase is in line with the national average information she is currently looking at and aims to provide Committee with this information at the January meeting.

10.5 DM asked about Housing Benefit and whether this would increase to cover any increase LHA applies. AW confirmed that if there is an entitlement to Housing Benefit this will be adjusted to suit new rent levels. AW also reminded committee members that there was a commitment to a £20 rent cap as part of the rent restructure and this has to be honoured. One of the main actions as part of this work will be to encourage tenants to speak with staff about issues as benefit checks can be carried out and referrals to Welfare Rights Team and Energy Advisor to maximise their income.

10.6 Members present then discussed how best to communicate how increasing costs were impacting Association and the work planned. After some discussion it was agreed that information around impact of rising costs should be included as part of the rent consultation leaflet and not the tenant newsletter.

10.7 Committee **AGREED** to consult on a 5% rent increase.

## **11. PROPERTY SERVICES UPDATE REPORT**

11.1 BM provided an overview of the report noting that one item required for decision and the remaining three were for noting.

11.2 The first item raised by BM was to notify the committee of a gas service failure. BM advised that this had been the result of a typing error which resulted in the

wrong address being provided, this had been picked up quickly by our internal checks and LHA accepted full responsibility for the failure. BM advised that the report provided covers the actions being taken to resolve the error.

- 11.3 GG asked if the gas service failure constituted a notifiable event and if so why was it not mentioned earlier in the meeting. BM advised he did not believe it was a notifiable event, but due to all the changes made during covid he will check this and inform committee of SHR advice. BM also noted that service failures like this were reported to SHR through the ARC.
- 11.4 After some discussion on regulation it was AGREED that BM would check the proper process as a priority and let the committee members know by email as soon as possible.
- 11.5 AL noted his concerns about the error as this is the second of this type in two years and it is extremely embarrassing for the committee. AL asked whether it was caused by an issue in the recording of the addresses. BM advised it was a human typing error and there is no issue with how addresses are recorded and that measures are in place to ensure if something like this happens again it is caught sooner. IM also advised that staff are dealing with high workloads and while errors like this are unfortunate it is two errors out of thousands of transactions performed by staff.
- 11.6 BM moved onto item 2 advising committee this was an update on what steps the Association already take to tackle mould and damp issues and what steps will be put in place going forward.
- 11.7 BM then moved onto the utilities update, advising the information in the report is already out of date due to how fast things are moving. BM confirmed that a deal had been found on the gas provider however by the time this went through the broker we had missed out. A further deal has been locked in, which is at a higher rate than the first but is still a saving on our current rate. Calculations are that this new rate will save the Association approximately £18,000 per year. The decision has also been taken to let the current electricity contract run as this is considered to be the best deal we can get.
- 11.8 BM then moved onto the item for decision and asked the committee for authority to carry out scenario planning that will allow component replacement to become more agile and suited to the current climate rather than follow a standard set replacement time. BM advised that doing this will help with planned maintenance costs over the coming years.
- 11.9 PP asked whether a record is kept of when refurbishments are carried out. BM confirmed that each component is considered on an individual basis rather than targeting a particular area and what is prioritised will continue to be informed by the stock condition surveys.
- 11.10 Committee **NOTED** the report and **APPROVED** scenario planning for component lifecycles.

## 12. GAS SERVICES AND REPAIRS 2022-2027 PROCUREMENT EXERCISE

- 12.1 BM advised the Committee that a recent tender for the Gas Servicing and Repairs contract had completed and the preferred bidder was James Frew, GasSure, who are our current contractors.

12.2 Committee **APPROVED** appointment of James Frew, GasSure as the Gas Servicing and Repairs contractor.

### 13. PROVISION OF NEW TELEPHONE SYSTEM

13.1 BM confirmed that the new contractor for the telephone system had now been appointed and staff are trialling the system internally before it goes live in the new year.

13.2 Committee **NOTED** the update

### 14. AOCB

#### 14.1 Appointment of Phase 4 Design Team

14.1.1 BM raised the appointment of the Design Team for Phase 4 of the windows and sandstone repairs. BM advised unable to provide this information prior to the meeting as required to seek further information from one of the bidders and this was only provided on Monday 05 December.

14.1.2 BM ran through the scoring and asked for approval to appoint the preferred bidder.

14.1.3 Committee **APPROVED** appointment of MAST Architects.

#### 14.2 Committee Emails

14.2.1 AG advised committee that the ICT Manager is looking to provide all committee members with a dedicated Linthouse email address. Committee **AGREED** to being provided with Linthouse email addresses for Committee business only.

#### 14.3 Community Update

14.3.1 FM advised the Committee that the Men's Shed has won Shed of the Year and wanted to thank everyone from Linthouse for their help and support over the year. There will be an event at some point and will keep everyone informed.

14.3.2 PP advised committee that Govan Workspace are looking for new directors and anyone interested can get in touch with Pat Cassidy.

14.4 AL thanked all the staff for attending the meeting and preparing the reports and that he hopes to see everyone at the upcoming Christmas Lunch. AL advised members attending the Christmas lunch will be entitled to the evening allowance.

Staff and FMD left meeting at 19.55

14.5 Confidential discussion of update from Chair on SSC recommendation for EVH payment proposal and homologation of emergency decision.

### DATES OF NEXT MEETINGS:

- **Management Committee** – Tuesday 17 January 2023 at 6pm
- **Audit & Assurance Sub-committee** [Provisional] – Tuesday 21 February 2023 at 6pm

- **Staffing Sub-committee** [Provisional] – Tuesday 07 March 2023 at 6pm
- **Policy Working Group** [Provisional] – Tuesday 14 March 2023 at 6pm.

Meeting closed 20:00pm.

**ALEC LEISHMAN**  
**CHAIRPERSON**