MINUTE OF MANAGEMENT COMMITTEE MEETING HELD ON TUESDAY, 9 DECEMBER 2025 AT 7PM AT 53 BALLINDALLOCH DRIVE

PRESENT	IN ATTENDANCE
Mr A Scott	Mr P Martin (CEO)
Mr J O'Donnell	Mrs L Sichi (Deputy CEO)
Mr A Young	Mr J Gourlay (Finance Director)
Mrs A Strachan	Ms G Sherriff (Dev. Consultant) Item 1d
Miss G Hay	Mr P McNeill (HRC Ltd)
Miss S Richards	
Mrs A Jenkins*	
*Attended Online	

1a. APOLOGIES FOR ABSENCE

Apologies were tendered for Mrs R Tinney, Miss G O'Hara, Mrs J Donachy, Mrs M Smith, Mrs M Hutchison and Ms L Marshall.

1b. DECLARATIONS OF INTEREST

None.

1c. RELEVANT BUSINESS ITEMS TO BE ADDED TO AGENDA

None.

1.d HAGHILL DEVELOPMENT GRANT OFFER/LOAN AGREEMENT

The CEO referred to the detailed report provided and informed the MC that after a lengthy process, we were now at the final stage of consideration of the Scottish Government's (SG) grant offer for the 48 new build units at the Haghill School site.

It was highlighted that this was a significant commitment and positive commitment for the Association and the community. The overall development costs were confirmed as £12.4m, broken down as £3.172m of private finance, provided by Unity Bank, and £8.832m of grant funding.

It was confirmed that Mr P McNeill, Finance Consultant (HRC Ltd) carried out his own external validation around the grant offer and confirmed that exactly what MHA asked for in terms of grant assistance, has been approved by the SG. Mr P McNeill also concluded, that at the grant level being offered meant the development project was financially viable and a beneficial investment to MHA.

The CEO referred to the thematic enquiry report carried out by the Scottish Housing Regulator (SHR), in relation to the development of affordable housing, and he highlighted Appendix 2 which provided a table that summarises the requirements of the SHR against how MHA has achieved each requirement. This covers the history of the work and assessments MHA, the committee, our consultants etc. have carried out to reach this point. It was confirmed that all this past work, and the reports and tables included in this report provides good validation of our management of this development process. It was stressed that agreeing to this development places a lot of responsibility and commitment on MHA, therefore it was important that committee ask question and seek clarity if there was anything they were unsure of.

Ms G Sherriff then presented her report to the MC. She confirmed MHA have now received two acceptable offers of grant from the SG and NRS, split between the newbuild and the ex-janitor's house. Looking at the newbuild, the grant versus the overall cost of the development has been approved at 73.9%, with the private finance remaining at £3.1m, which was previously reported and agreed. In terms of the grant offer, this comes with a number of the usual conditions which include, but are not limited to, MHA continuing to be a fair work first employer, that any publications MHA make should reference GCC grant funding, that secure by design gold standards will be achieved, that MHA participate in the continuous improvement procurement programme; this will be carried out by Scotland Excel on behalf of MHA and is effectively an assessment of how the association goes about procurement.

One condition was brought to the MC's attention; that "a number of the properties must be let through section 5 referrals", however it does not confirm what number or percentage of properties should be let to section 5 cases and has been left open to the MC to determine. MHA currently allocate a 30% quota to section 5 cases, however, this doesn't mean this will apply to the newbuild development. In any case the allocation of the new build will be determined later.

In terms of the grant offer for the ex-janitor's house, this had increased by around £6.5k, whereas the offer of grant for the newbuild had decreased by £6.5k, therefore, the total overall funding remained the same. As a result, the grant level approved was just over 85%, meaning the private finance required was just under £85k. The conditions applied against this grant were the same as the other, with one main difference stipulating that this property, which is a seven-person house, must be let through a section 5 referral.

As we are at the stage where acceptable grant offers have been made, we were now looking to award the contract to JR Group.

Ms G Sherriff continued, advising that the overall development costs were £12.4m, with £11.105m for contractor costs and £61k for other associated cost, for example Scottish water connection costs, sound testing, signage etc. It was noted that NRS have chosen to extract the £61k, for other costs, and place them under a different heading meaning that when the letter of acceptance is issued to JR Group, this will have to breakdown the £11.105m, the £61k, plus the uplift cost.

As there requires to be a ten day 'stand-still' period, where unsuccessful contractors are informed, the earliest the acceptance letter can be issued is 22 December.

All due diligence was complete, with the finance consultant reviewing the accounts, running a credit cheque and confirming there were no issues.

In terms of Community Benefits, this will be discussed further in January 2026. In the meantime, the contractor has already delivered around two hundred selection boxes to local primary schools and early years groups.
MC were reminded that MHA is a member of the Scottish Procurement Alliance (SPA), who already have a Clerk of Works framework in place, therefore MHA have went to this framework and found Ross Quality, who it is believed have the experience and capacity to be appointed Clerk of Works, and approval for this would sought later in the meeting.

Ms G Sherriff confirmed the conditions attached to the planning consent were being addressed and co-ordinated by the architect, and that no works will commence until after Christmas. Residents will be written to prior to work taking place, informing them of proposed start dates, timeframes, parking restrictions, noise and dust from the works etc. The contractor has already started the registration process with the considerate construction scheme, who monitor things like noise and dust etc when the work starts.

The MC were advised that given the time that has passed, the contractor could not hold the tender price they provided in March, even though they had agreed to extend this to September. This has resulted in a request for an uplift of £76k and it was explained that the uplift was assessed and determined by MHA's surveyor and not the contractor.

Mr P McNeill presented his report in terms of private finance for the project. He informed the MC that there had been no changes to the information provided in his previous report of 28 October, and that he and the CEO, Director of Finance (DoF) and TC Young (MHA's solicitors) have met with Unity Trust Bank solicitors and reviewed the loan documents. They have found no major issues, however, do require a little more negotiation surrounding some smaller details before the loan agreement can be signed. MHA will also require securing properties to the bank for the loan, and we currently have 350 properties which have not previously been pledged to any other bank, and these are being assessed and valued. Once the valuation is complete, MHA will be able to determine which properties to secure against the loan. It is hoped that the loan agreement should be able to proceed soon.

A MC member raised a query in terms of how the properties were valued, and Mr P McNeill explained a property is taken at the current rent, then they build in an assumed rent policy for 30 years, plus an assumption about void loss and bad debts, as well as repairs, maintenance, improvement works costs etc. This information is all run through a cashflow model which produces a discounted cashflow which gives a present-day valuation of that property; all on the understanding that property remains an affordable rented, social housing property. In most instances this will result in a far lower than market value valuation.

Another MC member queried how we decide which properties would be pledged to the bank, and it was confirmed that we could not pledge properties which had already been pledge to other banks, plus we would not pledge all 350 properties to Unity Trust Bank. We would be looking to pledge the lowest number of properties possible, and a rough guestimate would be around 70-80 properties that would require to be pledged. It was highlight that the loan facility we currently have is for £4m, however we may only require £3.2m and therefore before drawing the money down we could cancel the £800k and reduce our liability.

The meeting was handed back to Ms G Sherriff, who sought approval for six points, covered in the report.

DECISION: Approval was requested from the MC for the offer of grant for the new build (as detailed above) to be accepted by the CEO on behalf of MHA. It was highlighted that, if approved, Ms G Sherriff would contact GCC to also request the uplift.

Approval was requested from the MC for the offer of grant for the ex-janitor's house (as detailed above) to be accepted by the CEO on behalf of MHA.

Approval was sought to issue the standstill letters to contractors. This would be four letters in total: three to unsuccessful contractors and one to JR Group, the successful contractor. It was stressed that issuing this letter to JR Group was not a contractual commitment.

Approval for MC to grant delegated authority to the Secretary to sign the formal building contract in due course, likely to be some point in January 2026.

Approval from MC to issue JR Group with the letter of acceptance, with the caveat being that this will be after the loan agreement document has been agreed. It was further explained that to minimise delays and to avoid an increase in the uplift, the finance side of things would run in parallel with the standstill letter.

Final approval was sought from the MC to appoint Ross Quality as Clerk of Works, on the basis that two acceptable references are received.

The Chair sought further comments or questions from MC, who acknowledged the long-term affordability and viability of the project, as well as their review of appendix 2, covering the regulatory requirements. All the above points were proposed for approval by Mrs A Strachan, seconded by Miss S Richards and unanimously agreed by the MC.

2. **ADOPTION OF MINUTES MEETING (11 NOVEMBER 2025)**
The above was proposed for approval by Mrs A Strachan and seconded by Miss S Richards as a true record of the meeting.

2a. **MATTERS ARISING FROM MEETING (11 NOVEMBER 2025)**
The MC were reminded that they approved the MPS Loan Agreement, in terms of the works required to glazed timber screens at Duke Wynd, as well as the MHA and MPS intra-group agreement at November's MC meeting and that both required to be signed. The MC acknowledged this and the documents were signed at the end of the meeting.

3. **ADOPTION OF MINUTES SPECIAL MEETING (18 NOVEMBER 2025)**
The above was proposed for approval by Mrs A Strachan and seconded by Ms G Hay as a true record of the meeting.

3a. **MATTERS ARISING FROM SPECIAL MEETING (18 NOVEMBER 2025)**
None.

3b. **ADOPTION OF MINUTES SPECIAL MEETING (2 DECEMBER 2025)**
The above was proposed for approval by Mrs A Strachan and seconded by Ms G Hay as a true record of the meeting.

3c. **MATTERS ARISING FROM SPECIAL MEETING (2 DECEMBER 2025)**
None.

4. **USE OF SEAL (APPROVAL)**

CEO referred to the report provided and highlighted the addition of thirteen members and cancellation of four memberships.

The above was proposed for approval by Mr A Young, seconded by Miss S Richards and unanimously agreed by the MC.

5a. <u>GOVERNANCE ISSUES - THE CEO REPORT</u>

The CEO referred to the report previously circulated.

5a.1 **Staffing & Operational Update**

The CEO reminded the MC of the historical staff absence issues and highlighted that the reduction in staff absences continues in a downward trend, now sitting below 3%, which is the lowest level in recent years.

The staff social and wellbeing group met again earlier that day, and MC member Mrs M Smith was in attendance. Ideas continue to develop.

The MC were reminded that a copy of the latest organisational structure was in the Teams folder.

5a.2 **Wider Role Update**

The CEO advised significant progress had been made in terms of returning the Bluevale Community Hall and Alexandra Park Sports Hub to GCC, and that we are expecting the works costs to have reduced, due to our own in-house works.

The MC discussed and sought clarity over the process to return the buildings to GCC and timings etc., The CEO clarified that the Alexandra Park Sports Hub would return to GCC on 11 January 2026, and we are contracted to the Bluevale Community Hall till 2028.

5a.3 **Development & Capital Projects - including Stonework**

The CEO highlighted that significant progress in terms of the stoneworks, particularly at 134 Cardross Street, where window replacements are also taking place. Positively, it is anticipated that the work will , potentially be £20k underbudget, however completion of the work is expected to be delayed by six weeks.

After conversation between the MC, it was reiterated that SHR are being kept up to date with this progress, and that before and after photos, including drone footage will continue to be taken.

In terms of properties which have been identified as Category 3 for works, we have received confirmation that GCC will provide owners with 50% grant funding.

The MC were reminded that the recently established Stonework Working Group would meet on 12 December, where the Director of Asset Management (DoAM) will cover the progress to date, as well as the short and long-term strategy in terms of how we best manage this matter and achieve assurance for both the SHR and MC. Papers for this group and the stonework risk register are available within the MC Teams files.

Governance and Compliance

The MC were referred to the KPI dashboards which covers performance across maintenance and housing activities i.e. void let days, rent arrears

recovery etc., and highlighted that performs remains positive, with no major arears of concern.

The CEO reminded the MC that the Risk Register is available in the Teams folder and confirmed that there have been no changes since the last meeting.

5a.5 **Christmas Party**

The CEO advised that the MC, volunteers and staff Christmas party would be held at 4pm on 12 December, in the MHA Community Hall.

5b. <u>FINANCIAL REPORT 31.10.25</u>

The DoF presented the financial report for period 31/10/25 to the MC.

He summarised that MHA remain ahead of budget, with an overall surplus of £517.7, which is £285k ahead of budget. This is due to a variety of reasons, including income being ahead of budget by £88k, as well as all categories of expenditure being less than budgeted for, as broken down in the provided report.

As of 31/10/25 net assets were £16.593m and cash at bank amounted to £7.437m, an increased by £245.9k from the start of the financial year. It was confirmed that covenants were fully compliant with all lender's conditions, and there were no governance issues arising.

The DoF summarised the Income and Expenditure section of the report to the MC, highlighting that surplus generated and turnover remained ahead of budget, with operating costs continuing at an underspend against budget. This was because of several areas including better rental collection and lower void numbers, plus income from wider role grants and contractor community benefit payments.

In terms of operating costs, staffing costs were below budget due to some staff leaving which were not replaced. Training and development costs were over budget, due to various training and conference costs, which was reflective of MHA ensuring staff remained knowledgeable in areas of importance.

Reactive repairs spend is £31k over budget, however in the winter month the reactive repairs can increase due to rain and flooding etc., so this is not entirely unexpected and this is something that we do monitor on a week-to-week basis. Similarly, void spend is slightly over budget, however it is difficult to control the condition of a property which is returned to MHA when a tenant moves out; again, this is something we monitor. Cyclical and annual servicing costs was also marginally over budget, but nothing of concern, and this will likely even out before the financial year end.

A breakdown of wider role income and expenditure was also provided to the MC, with it being highlighted that there are improvements in this area, with only a deficit of £22k, opposed to a budgeted deficit of £138k.

In terms of the statement of financial position at the end of October, cash has increased from the figure in April, and that there was nothing of concern in regard to debtors and creditors as these can go up and down depending on the timing of receipts and invoices.

Current cash at bank was confirmed as £7,437,049, and the MC were informed that MHA was compliant with all covenants.

The MC noted the report and briefly discussed income; no questions or concerns were raised.

5c. HEALTH & SAFETY UPDATE

The MC were directed to the previously circulated report . It was highlighted that several audits were carried out against the Landlord Facilities Safety Control Manual and the recommendations from the audit have been summarised in an Action Plan which will be implemented, with a number of actions already complete.

Similarly, an audit was carried out against the Health and Safety Control Manual (HSCM) for Employees, which ensures MHA complies with the Health and Safety at Work Act. Again, an action plan has been developed and recommended actions will be implemented; more detailed specifics were confirmed in the report.

The MC reviewed and noted the report, raising no questions or concerns.

5d. RISK REGISTER UPDATE

The DoF advised that there had been no changes from the previous month.

Considering the newbuild development information being presented to the MC at the meeting, the DOF also provided a snapshot of the risk involved in the development, including the controls which have been put in place to mitigate the risk.

5e. NOTIFIABLE EVENTS (NE) UPDATE

The Deputy CEO informed the MC that at the time of writing the report there had been eight NEs from April to November. Three have been closed and the remaining five relate to the stoneworks, where work remains ongoing.

The MC were also advised that the CEO and Deputy CEO had met with Linda Ewart (Governance specialist and consultant), who has reviewed the NE register and made recommendations to include the headings; risk impact, status and responsible officer. These will be included from January's meetings onwards.

5f. STONEWORK UPDATE

The CEO referred to the comprehensive monthly update report provided in advance by the DoAM.

One of the most important updates was in terms of owner-occupied properties, where GCC has confirmed owners can access 50% grant funding. It was highlighted that that where we factor the building, we will communicate to owners that the work is unavoidable and will impact their ability to sell their home. The MC were advised that there are also blocks that we factor which are fully owner-occupied, and in these instances, we cannot force the work to take place as owners will make the decision. In relation to this, future reporting to the MC will be clear in which properties MHA cannot decide on.

A brief conversation took place with MC regarding the works at Cardross Street and the CEO explained that the bottom end of street appears to be in better condition. We are getting quotes from the stonemasons on these blocks and expect them to be a lower cost.

A MC member queried what we would do in terms of an acquisition opportunity in a block which required stonework repairs. It was explained that as part of the Acquisitions Policy there requires to be a strategic goal, and if a property meets the criteria/aims in the policy then we carry out a Net Present Value calculation, which assists to establish if an acquisition would achieve value for money for MHA; all of which assist us to make an informed decisions. It was highlighted that the tenants who go into them require to be section 5 referrals from GCC.

Another MC member queried if owners impacted by stonework repairs could claim their home/building insurance. The CEO advised this was explored and it was confirmed that they could not claim insurance due the damage being wear and tear, as opposed to something like storm damage.

A query was raised by a MC member in relation to how long the GCC grant funding would be available to owners, and how long the contractors quotes lasted. The CEO confirmed the funding would be available till the end of the financial year and the quotes lasted three months. In terms of the contractors and work, MHA were carrying out proper sustainable stoneworks repairs, carried out by stonemasons, and not doing temporary patch up repairs. Another member asked about the quality of the windows being used, and it was confirmed that very good and highly rated windows were being used.

5g. **ARC KPI REPORTING TO THE MC**

The MC were referred to the KPI reports, and the CEO confirmed there were no areas of major concern. He paid particular attention to statistics on dampness and mould and reminded the MC this was a new indicator for this financial year, and that we were meeting our targets.

The MC commented that they were aware meter issues historically impacted letting times, noted the report and raised no other questions.

5h. **EMPLOYMENT CONTROL MANUAL**

The CEO presented the most up to date version of the EVH Employee Health and Safety Control Manual to the MC for approval. It was highlighted this has been updated to reflect MHA policies and as covered earlier in the Health and Safety update, we arranged for external consultants, ACS, to carryout an audit against this, with the actions being carried out. MC were advised a copy of the manual is also available in their Teams folder.

DECISION: **The above was unanimously agreed by the MC, and it was acknowledged that by signing the relevant pages of the document they granted approval.**

5i. **EQUALITIES ACTION PLAN**

The Deputy CEO reminded the MC that they approved the new Equality, Diversity and Inclusion Policy in October and were advised that an updated Equalities Action Plan would follow for approval. The report and action plan, produced by the Senior G&C Officer was detailed and summarised to the MC, with the 6 key aims identified.

MC were informed that the Action Plan was externally reviewed and validated by Stuart Eglinton (Share, Training Practitioner and Advisor) who previously provided the MC with a training session on Equal Opportunities in October.

DECISION: The above was proposed for approval by Mr J. O'Donnell and seconded by Mrs A Strachan.

5j. REVIEW OF PROCUREMENT POLICY

The CEO reminded the MC they undertook a training session on Procurement in October, providing background and details on legislation relevant to this policy review. It was confirmed that the BTO trainer, provided some guidance with the policy review, as did Sherriff Development Consultants.

The MC were taken through the report and policy review, with key information being relayed to them; in particular, it was highlighted this policy acknowledges that the MC need to be kept informed and advised, as well as have effective oversight of procurement, whilst also allowing business needs to move forward without unnecessary delay, by means of delegating authority to senior staff, such as the CEO, when it is required. Section 5.1 of the policy sets out the estimated value of contractors, the procedure to be followed (i.e. minimum number of quotes required) and which staff have permission to authorise. It was pointed out that any contract between £50k to £2m, requires MC approval.

MC were reminded that a clean copy of the policy could be found in their Teams folder, and it was highlighted that the next review of this policy would be 2028, or earlier if there were any changes to legislation.

DECISION: After discussion between the MC, the policy was unanimously approved by the MC.

5k. CUSTOMER FIRST FEEDBACK

The Deputy CEO presented the above report, explaining that it is a requirement of the SHR that we seek customer's views and feedback, and in this instance, we sought consultation on our Customer First Strategy. 40 responses had been received from a mix of tenants and owners across the MHA area of operation and feedback was generally positive. A full breakdown of questions asked, and the response figures was detailed in the report to the MC. In the few instances of negative feedback, customers were contacted to ascertain more details. Of the negative feedback most were in relation to repairs services and the dealing of complaints. The feedback has prompted actions that will be followed through to strive to improve services.

A lengthy conversation took place surrounding the preferred method of communication being recorded as letter in the results, however the merits of digital communication was felt to also be important and more reliable. It was agreed that having multiples methods of communication was important, to meet the varying needs of MHA's customer base.

5l. PRECIS OF MPS BOARD MEETING 11.11.25

The above was noted by the MC, and no questions were raised.

5m. NOTE FROM WIDER ROLE SHORT LIFE SUBGROUP 17.11.25

The CEO explained that the above was a record from the important work carried out by the Wider Role Subgroup, in which they reviewed and scored the wider role activity against the new framework criteria. The subgroup recommended that MHA continue to provide the Community Engagement and Income Maximisation Services, as well as Millies Café, however, to relocate the Café to the Community Hall at 53 Ballindalloch Drive, to make a cost saving.

DECISION: The MC acknowledged the recommendations met MHA's strategic objects for wider role, and the above recommendations were proposed for approval by Mrs A Strachan, seconded by Miss S Richards and unanimously approved by the MC.

5n. **PRECIS OF HEALTH & SAFETY SUB-COMMITTEE MEETING 24.11.25**
The above was noted by the MC, and no questions were raised.

5o. **PRECIS OF GOVERNANCE SUB-COMMITTEE MEETING 24.11.25**
The above was covered in detail by the Deputy CEO and noted by the MC.

At this point it the meeting Mr J O'Donnell, proposed the meeting be extended beyond 9pm and this was seconded by Mr A Young.

5p. **NOTE FROM THE BUDGET 2026/27 MEETING**
The above was noted by the MC, and no questions were raised.

Noting:
q) Tenant's Panel Meeting Report
r) Feedback from the GWSF conference
s) Member Organisations Update
t) KPI & PI 2025/26 Update
u) SHR Compliance Update
v) GDPR, FOI, Complaints & Compliments

All the above reports were noted by the MC.

6. **A.O.C.B**

6a. The CEO reminded the MC that he had regular meetings with the SHR to discuss MHA's engagement plan, and advised they would next meet on 10 December 2025, where the focus would be on the ongoing stonework programme and the Notifiable Events policy. It was mentioned that the SHR may request to meet with the MC, and an update on the outcome of the meeting would be provided at the next MC meeting.

6b. **GOLDEN TICKET DRAW**
As part of the 50th anniversary celebrations two final Golden Tickets were drawn at the meeting; the winners, residents from Cathedral Square and Walter Street, were randomly selected and will be notified.

7. **DATE OF NEXT MEETING**
January 2026 at 7pm, with the exact date to be confirmed.

The meeting was brought to a close at 9.10pm.



Chair
02/01/26