



**DRAFT MINUTES OF THE MANAGEMENT COMMITTEE MEETING
HELD ON WEDNESDAY 25 JUNE 2025 at 6.30p.m.
MEETING HELD IN THE COMMITTEE ROOM OF THE ASSOCIATION'S OFFICES**

1. Sederunt

PRESENT

P. Waddell, F. Lavery, J. Stevenson, C. Harvey, D. Barnes, A. Cushingam
K. Herd, B. Hartness (Zoom)

IN ATTENDANCE:

K. Mollins – Director
G. Kerr – Finance & Corporate Services Manager (F&CS Manager)
G. McLachlan – Maintenance Manager
A. Nugent – Housing Manager
N. Smith – Corporate Services Officer
P. Morrice - Alexander Sloan Chartered Accountants.

Apologies: C. Cooper A. Farry

Leave of absence: None

2. Meeting of the Management Committee

a) 28 May 2025

i) Minute

The minutes of the Management Committee meeting on 28 May 2025 were approved by A. Cushingam and seconded by J. Stevenson

ii) Matters Arising:

There were no other matters arising.

b) Master Tracker

The Director presented the progress report on the Master Tracker from the meeting in May 2025 and outlined the progress of tasks on the Master Tracker. He highlighted to the Management Committee progress of tasks that were on-going in the tracker i.e. the report on the survey of Glenburn Centre by Jones Lang Lasalle, engagement with RBS on covenant compliance associated with the 30 year Financial Plan, the recruitment of trade team operatives.

The Committee noted the content of the report.

3. Meeting of the Finance, Audit & Performance Sub-Committee held on 12 May 2025.

i) Minute

The minutes of the Finance, Audit & Performance sub-Committee are for information only.

ii) Matters Arising:

There were no matters arising.

4. Meeting of the Staffing Sub-Committee held on 19 May 2025

i) Minute

The minutes of the Staffing Sub-Committee are for information only.

ii) Matters Arising:

There were no matters arising.

5. Declaration of Interests and Notifiable Events

The Director confirmed that Committee and staff members will declare an interest in agenda item 12 – Report on Long Term members

There are seen to be no other Committee or staff members in attendance with a declaration of interest in relation to the business at the meeting.

Notifiable Events - The Director advised the Committee that a notifiable event was submitted in relation to the 5 / 30 year financial projects and gave an update on discussions with the Scottish Housing Regulator.

13. Review of Policies

i) Financial Regulations

The F&CS Manager presented the draft Financial Regulations and advised on the following:

- Finance Regulations last reviewed in 2022 and due for further review, following the 3-year cycle.
- The current review has taken account of the Governance review, Staff Structure review, updates to legislation and Good Practice, etc.

- F&CSM highlighted MC responsibility for implementing and maintaining systems of internal control and controlling risks. He also highlighted the link between the Regulations and Business Planning.
- Job titles have been updated reflecting the role of Finance & Corporate Services Manager. Delegated authority levels have been reviewed ensuring a greater consistency between grades and maintenance and non-maintenance spend.

The Committee approved the Financial Regulations.

ii) Factoring

The Housing Manager presented the draft Factoring Policy and advised on the following:

- Policy was last reviewed in 2022
- Covers details of Customer Care Standards and is benchmarked alongside other associations
- The next steps following approval of the policy is approved will include a review of the factoring procedures and training will be provided to relevant staff.

The Management Committee raised the following queries or questions in relation to the draft Factoring Policy.

A member asked how the success of the policy be will measured. The HM explained this will be recognised through KPI monitoring and good management of income.

The Committee approved the Factoring Policy.

iii) Tenancy Sustainment

The Housing Manager presented the draft Tenancy Sustainment Policy and advised on the following:

- The Association doesn't currently have tenancy sustainment policy in place
- The purpose of the policy is to provide information, advice and support to enable tenants to meet their tenancy obligations and maximise their chances of successfully maintaining their tenancy.
- Tenant Sustainment will be monitored and reported to committee on a regular basis

The Committee approved the Tenancy Sustainment Policy.

iv) Financial Inclusion Policy

The Housing Manager presented the draft Financial Inclusion Policy and advised on the following:

- The Policy was last reviewed in 2022
- This policy was updated to adopt a proactive approach to improve tenants' financial circumstances, compliant with Scottish Housing Charter.
- The aim of the policy is to ensure residents have access to welfare rights services, advice and support to help them to combat financial exclusion and different types of poverty.

The Management Committee raised the following queries or questions in relation to the draft Financial Inclusion Policy.

- A member of the committee asked the criteria for applying for direct housing payments. The HM explained the criteria set out by Department of Working Pensions and arrangements for direct payment to the Association.

The Committee approved the Financial Inclusion Policy.

A. Nugent left the meeting

6. Annual Accounts 2024-25

P. Morrice presented his report and annual accounts 2024-25 and covered the following:

- Healthy results for 2024/25 showing the following figures:-
- Operating surplus - £821k
- Surplus on Ordinary Activities - £682k
- Total Comprehensive Income - £712k
- Cash surplus - £507k
- Cash balance - £4.2m
- Net Assets - £10.8m

The Committee raised the following queries or questions in relation to the Annual Accounts 2024-25.

P. Morrice presented the letter of representation to be issued from the Association to Alexander Sloan, which highlights the Committee's responsibilities and is required to be signed by Chair and Chair of AF&PSC. It details the information provided to the Auditors in relation to the Annual Audit.

P. Morrice presented the Audit Summary report, which covered:

- Audit Opinion – Has the audit work been carried out in accordance with International Standards of Auditing. It was a clean audit report
- Audit Independence and Ethics. There were no issues in the audit
- Key Audit Issues, which identified risks highlighted at the Planning stage e.g. management override, revenue recognition and covenant compliance and there were no issues.
- Qualitative Aspects of Financial Statements.
- Adjustments to the Financial Statement – There were minor adjustments relating to the management accounts
- Internal Controls - Current Control Weaknesses, which related to the quarterly VAT return to ensure these are reviewed by management.

There was discussion on the 'current control weaknesses' in the report and the F&CS Manager detailed the Management's response on the one Control Weakness highlighted:

Current Control Weaknesses

- VAT Returns to be reviewed by Finance Manager - The Finance Manager agreed that this review will be added to the Period End procedures.

F&CS Manager highlighted that there are 3 statutory and regulatory Returns, which must be submitted:-

- Scottish Housing Regulator (SHR) Annual Financial Statements
- Financial Conduct Authority (FCA) Annual Return
- Office of Scottish Charities Regulator (OSCR) Annual Return
- These all include the information contained in the Annual Accounts.

F&CS Manager asked the committee for Delegated Authority to submit all these Returns, via the relevant Portal, on the basis that the information has already been approved by Management Committee as part of the Annual Accounts.

K. Mollins, G. Kerr, G.McLachlan and N. Smith left the meeting.

The Management Committee had a private discussion with the External Auditor in relation to the annual accounts and year end audit.

K. Mollins, G. Kerr, G.McLachlan and N. Smith re-joined the meeting.

The Committee noted and approved the contents of the Annual Accounts.



The Committee approved the contents of the Letter of Representation and delegated signing to the Chairperson, P. Waddell, Chairperson of Finance, Audit & Performance Sub-Committee- A. Cushingham.

and Letter of Representation and delegated signing to the Chairperson, P. Waddell, Chairperson of Finance, Audit & Performance Sub-Committee- A. Cushingham; and Secretary, K. Mollins, as required.

The Management Committee noted the contents of the Audit Summary Report and approved the Management Responses to the Current control Weaknesses.

Committee approved for Authority to be delegated to F&CSM to submit the 3 Statutory and Regulatory Returns via the Portals.

P. Morrice will issue the Annual Accounts and Letter of Representation for signing.

The approved Annual Accounts to March 2025 will be presented to the members at the AGM in September 2025.

P. Morrice left the meeting

7. Re-Appointment of the External Auditor

The F&CS Manager advised the Committee that the External Audit contract was procured in 2023 and Alexander Sloan were appointed for the period 2023-2026 with an option of a further 2 year extension to 2028. This would be reviewed annually, and the Management Committee would make a recommendation to the shareholders at the AGM.

The Management Committee confirmed they were agreeable to the re-appointment of Alexander Sloan for the Audit 2024-25, which would inform a recommendation to the shareholders at the AGM on 1 September 2025.

8. Investment Strategy for Cash Reserves

The F&CS Manager presented his report on the investment of cash reserves and highlighted the following:

- F&CS Manager advised that Treasury Management Policy allows for him to place funds on deposit after MC has approved the transaction in advance.
- He requested delegated authority for F&CS Manager to place funds on deposit and report retrospectively to the Management Committee. This should streamline the process and avoid delays due to lengthy gaps between Committee meetings.
- To give Committee comfort the F&CS Manager will need to operate within certain parameters concerning the institution involved, the amount

deposited, the length of deposit, available funds, etc. The Management Committee raised the following queries or questions in relation to the investment of cash reserves

The Management Committee raised the following queries or questions in relation to the Investment Plan.

- There was discussion by the Committee on the risks of deposits and controls with the Association

The Management Committee were agreeable to approve delegated authority to the F&CS Manager to deposit monies in accordance with the Financial Regulations. This would be reviewed in June 2026.

The Committee asked the F&CS Manager to provide regular reports on the deposit of monies to the Audit, Finance & Performance sub-Committee.

9. Investment Plan 2025-2035

The Maintenance Manager presented his report on the Investment Plan and highlighted the following:

- The background to the development of the Investment Plan covering the stock condition survey, tenant consultation, lifecycles for components and financial considerations.
- The Plan includes 1,390 kitchen installations, 695 bathroom installations, and 695 window installations over ten years.
- The preferred option (Option 4) addresses past slippage and key challenges in housing stock.
- The total projected cost for the 30-year program is £28.9 million, significantly higher than the previous estimate of £15 million.
- The investment plan will be uploaded to the “My Home Portal” for tenants to view

The F&CS Manager gave an update on the impact of the Investment Plan on the 30 Year Financial Plan and covered the following:

- The 30 year plan was showing a viable position, although private finance would be required to fund the Investment Plan.
- The programme is staggered to keep loan covenants compliant. The 30 year plan is showing non-compliance in years 3-6 based on the scale of the investment programme and there was on-going discussion with RBS to review loan covenants to facilitate increased spend on planned major repairs
- He highlighted the financial savings that could be made through in-house Trade Team

The Management Committee raised the following queries or questions in relation to the Investment Plan.

- A member asked if there is a delay to the veranda project will this affect the investment plan. The Director confirmed that the veranda project will likely progress in 2026 and the F&CS Manager will assess the impact of covenants compliance to inform the availability of spend on planned major repairs.
- A Committee member asked the Director on progress with the report on the development of the Trade Team. The Director confirmed this is nearing completion and he was awaiting costs for component replacements to inform the viability of the Trade Team compared to contractors' costs, also clarification on the financial position. The Director confirmed the report would be presented to the Committee in August 2025.

The Committee's decision was to approve the draft Investment Plan subject to a positive outcome on the review of loan covenant compliance with the Royal Bank of Scotland.

10. Report on Membership

The Corporate Services Officer presented her report and sought Committee approval for the membership applications:

- New Share Applications
 - M. Walker, (Address Redacted)

The Committee approved the membership application in the report.

11. Share Capital Report

The Corporate Services Officer presented a report to Committee with amendments to the Share Capital as outlined in the Rules.

Section 3 of the report outlined members who would be removed from the membership as they had left the area as outlined in Rule 12, or were deceased as per Rule 17

Section 4 of the report confirmed that there were 688 live members and as a result 30 members required to be in attendance at the AGM as per Rule 24.1

The Committee approved the Share Capital report and noted the number of members for the quorum at the AGM.

G. Kerr, G. McLauchlan and N. Smith left the meeting

A. Cushingam left the meeting

12. Report on Long Term Members

The Director presented the Vice-Chairperson's report on the review of long term members and advised the Committee in accordance with the Regulatory Framework and the Association's Rules, long term Committee members with 9 or more years' consecutive service must demonstrate their continued effectiveness to stand for re-election at the AGM.

The Director advised the Committee they had to decide on whether the long term members A. Cushingham and C. Cooper continued to be effective, which had been assessed through their attendance at meetings, training and development; and demonstrating their objectivity, challenge and effectiveness in the role.

The Committee commented on the members' effectiveness and their position and expectations.

The Management Committee agreed A. Cushingham and C. Cooper continued to be effective in the role as Committee member, and they could stand for re-election at the AGM in September 2025.

G. Kerr, G. McLauchlan, N. Smith, A. Cushingham re-joined the meeting

14. Procurement

i) Veranda Project

The Director presented the report from Reid Associates on the Veranda Project and advised on the following

- The contract was tendered in May 2025 for tender returns in June 2025.
- There was a very low response to the tender.
- The Director and Architect completed the quality scoring
- There was a significant increase in the price and Reid Associates have been making enquiries on the variance against the cost plan
- The tender price includes the cost of the windoor veranda and ventilation system and veranda doors, as well as optional additions i.e. installation of kitchen and double glazing.
- The Director discussed the options due to tendering arrangements for the contract:
 - There was discussion on the outcome of the tender, specifically the low response and significant increase in cost compared to the cost plan. A Committee member asked if it was likely there would be an increase in tender submissions if the contract was re-tendered. The Director confirmed he is aware several contractors had requested costs from SunParadise for the windoor veranda, but due to various reasons were unable to submit a tender. We are aware these contractors are interested in tendering for the contract.

- A member asked about the financial implications if the Veranda Project was to be delayed to 2026-27. The Director highlighted the project would be prioritised for spend and reaffirmed the need for financial assessment and covenant compliance to inform spend on planned major repairs.

The Committee's decision is to re-tender the contract with the aim to increase the number of tenders and achieve best value for money.

ii) Kitchen Supply Contract

The Maintenance Manager presented the report on the Kitchen Supply Contract and advised on the following:-

- The Association engaged with the Procurement for Housing Scotland framework for kitchen suppliers.
- A direct award was made to the top kitchen supplier in Scotland to ensure best value for money.
- Tenant participation and consultation with tenants on colour choices
- Tenants can view kitchen and bathroom samples until 6 July 2025.
- Letters are being issued to all contractors who submitted a bid

The Committee's decision was to approve JTC as the supplier of kitchens for the period 2025-2030.

iii) Kitchen & Bathroom Installation Contract.

The Maintenance Manager presented the report on the Kitchen & Bathroom Installation Contract and advised on the following

- The contract was tendered on Public Contracts Scotland with a budget of approximately £750k per annum.
- Key dates included tender document issued on 14 May 2025 and submission deadline on 6 June 2025.
- Tender opening was 10th June 2025
- MCN Scotland Ltd. was identified as the winning bid with a total cost of £742k, the lowest among competitors.
- The kitchen and bathroom programme will commence in September 2025 through to completion in November 2025.



The Committee's decision was to appoint MCN as the main contractor.

15. Correspondence

There was no correspondence

16. Confidential Business

There was no confidential business

17. Any Other Business

i) Xmas Festivities

The Management Committee agreed Committee and staff should have a festive event in recognition of their sterling work, commitment and achievements up to the value of a maximum of £75 per person

18. Date of Next Meeting

Management Committee:

Wednesday 27 August 2025 at 6.30pm to be held in the Committee room in the Association's office.

Chairpersons Signature: _____

Date: _____