

**Minutes of Management Committee meeting – Thursday 28<sup>th</sup> November 2024  
In Southside House at 6.00pm.**

**Action**

**Present:** Alex Cameron (AC), Surjit Chowdhary (SC), Iain Dyer (ID), Liz Ely (LE), Betty Macneill (BM) Ruth McCluskey (RM), Jenna Monteith (JM), Shirley Robison (SR).

**In attendance:** Paul McVey (PM), Pauline Fletcher (PF), Steven Good (SG) Donna Reilly (DR) Des Phee (DP), Laura Brennan (LB).

**Item 1:  
Apologies &  
Attendance** Apologies received from Munir Choudry, Alison Devlin, Pamela McLevy and Lisa Peebles

**Item 2:  
Conflicts of  
Interest** None declared

**Item 3:  
Minutes of  
management  
committee  
meeting –  
31.10.2024** SR enquired about the intra-company lease agreement and whether PM had checked this to ensure that Southside Lettings required a 30-year financial plan. PM advised that he had amended this to ensure there was no confusion between the Corporate Plan and the Financial Plan. There was further discussion around the financial plan for the subsidiary which should be created and agreed by both the Parent and Subsidiary. This will be presented prior to the financial year end.

Management Committee adopted the Minutes of the Management Committee meeting held on 31.10.2024

**Proposed: BM    Seconded: RM**

**Minutes of Extra  
Management  
Committee  
meeting  
07.11.2024** Management Committee adopted the minutes of the extra Management Committee meeting held on 07.11.2024

**Proposed: AC    Seconded: SR**

**Item 4: Matters  
Arising** PM went through the report and highlighted the following items.

*150 Berryknowes Avenue* – A further report following the extra Management Committee to discuss the future of 150 Berryknowes Avenue will be presented to Management Committee in January 2025.

**PM**

*Shields Road Damaged Wall* - Fountainbridge have been appointed as contractor, masonry work not commencing until February 2025.

*First-Tier Tribunal Case* - £800 payment made to claimant as directed by the Tribunal, however claimant has indicated that he intends to appeal the case and this is likely to return to the First-Tier Tribunal.

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*Moss Heights Avenue Heating Project* – Reports about issues with the Heating App connectivity have been investigated with only two reports received and SHA is awaiting a response from Paypoint. User Guide communication to be issued to residents.

*Revised Code of Conduct for Governing Body Members* – Revised code approved by Management Committee in October, this will be issued via DocuSign for Management Committee members to sign. **AR**

*Rubixx Housing Implementation*: Contract was signed week commencing 11 November 2024.

*Parent and Subsidiary Governance Documentation*: PM advised that the Intra-Group Agreement between SHA and Southside Lettings and the intra-company lease agreement agreed in principle at the October 2024 meeting have been updated and require to be signed this evening. Mid-Market Rent (MMR) Policy has also been amended following Governing Body input and legal advice. PM also introduced the Minute of Variation documents which will be used between meetings of Management Committee and Southside Lettings Board to add or remove properties for lease to the subsidiary as has been discussed at previous meetings.

JM raised an issue around whether possible Land and Buildings Transaction Tax (LBTT) implications had been considered in drafting the Minute of Variation template as when stock units are added to the Minute of Variation this may create a reporting obligation to Revenue Scotland as there is a LBTT implication for leases also. PM advised that LB will clarify this. **LB**

AC enquired around the MMR Setting Policy and why rents will be harmonised only at the point of a new tenancy, PM advised that this is a necessity as a result of private sector rent legislation. AC also enquired with regard to the policy and what 'other characteristics' means in relation to setting MMR rents. PM explained that this could be for example if a property had been retrofitted to address energy efficiency and/or decarbonisation then this would be taken into account when setting the rent charge.

SR asked if there was any update on the new build development at 640 Pollokshaws Road. DR advised that a meeting had been held with Glasgow City Council Geo-Technical Department which was positive. It was agreed to carry out additional bore holes on the site and submit the findings of this to GCC for consideration. PM advised that if there is no further movement by end-January then the Association will consider further steps.

**Item 5: Consent Agenda**

AC highlighted three items within the Consent Agenda which were for Management Committee to note:

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- Draft Minutes of Finance and Corporate Services Sub-Committee meeting 14.11.2024;
- SHA revised Corporate Risk Register, and;
- SHA Q2 Management Accounts

SR commented that she could not access the appendices via the hyperlink, and added that from the recent Management Committee away day some capacity/training for understanding Management Accounts should be built in. LB advised that this can be accommodated and offered to run through a recent set of Management Accounts as training.

JM commented that some more narrative would be helpful within the Management Accounts. AC agreed and commented that it may be useful if terminology like 'adverse' variation for clarity rather than 'positive/negative' can be used for 'laypersons' who are not accountants to denote if this represents a good situation within the accounts. LB advised that she and the Finance Manager have discussed providing a table of commentary within the Management Accounts which will be developed.

RM highlighted an error with regard to the Private Acquisitions 'outturn' which had been presented as £200, when this should be £200K. RM also enquired about Treasury Management and asked are these all separate accounts and are we looking to consolidate some of them. LB advised that the Association have already consolidated some of them and are trying to reduce the number of bank accounts which we have which will make bank reconciliations easier. RM commented this will also make this easier for Management Accounts.

Discussion followed and PM commented that the SHA Management Accounts authority is delegated to the Finance & Corporate Services Sub-Committee and asked if Management Committee remain okay with this delegation. AC commented that it is important that the Management Committee have oversight of finance during a financially challenging time. SR also commented that it is important that financial information goes to the sub-committee for scrutiny. RM commented that Management Committee do need to see the Management Accounts.

AC advised that the comments about overview may be more about an improved understanding of the Management Accounts and that they could be interrogated in more detail at the Sub Committee. PM intimated that we could look to bring a cover report summarising the reports which have went to Sub-Committee – this would be well received. PM also advised that details of forthcoming committee business and agenda setting will be discussed between the Chair

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and the CEO to allow the Chair to also inform the agenda in advance.

Management Committee noted the contents of the three items within the Consent Agenda.

**Item 6:  
Rent Increase  
2025/26  
Consultation  
Report**

PM explained to Management Committee that there is a statutory requirement to consult with tenants on annual rent increases. PM advised that this is usually presented at the same time as the first draft annual budget, however that is not being presented to Management Committee until January 2025. PM advised that the proposal for 2025/26 rent increase is for an increase of 4.2%.

The report highlighted that during the years of high inflation the Association had implemented below CPI rent increases, and the Business Plan requires claw back over future years. Paul also commented that CPI is only one indicator of costs.

Section 4 of the report set out the current financial and economic factors:

- September CPI 1.7% rising to 2.3% in October, the highest rate for six months.
- Food price inflation 1.9% in October 2024 compared to 10.1% the previous October. This still represents a rise however.
- SHA experiencing extremely high costs due to the previous upturn in costs of between 25-40% in many areas over the last few years.
- Efficiencies made over business areas e.g. Saffron, Factoring, staff changes, treasury management, and IT costs which will be realised via new IT system implementation.
- Increased insurance costs, unforeseen or unbudgeted areas of expenditure and most recently, changes to National Insurance (NI) contributions for employers.

PM highlighted that while there are on-going attempts to make efficiencies, other unforeseen items are becoming apparent with the latest being the increase to employer NI contributions from 13.8% to 15% and dropping the NI threshold from £9,100 to £5,000. PM intimated that this is expected to cost Southside HA in the region of £70k per annum, which is approximately 0.6% of our annual rental income.

Section 7 of the report considered the impact of rent increases for different apartment sizes and based on rent increases of 3.2%, 3.7% and 4.2% annual rent increases respectively.

PM drew Management Committee members attention to Appendix 6 of the report which highlighted the range of increases RSLs across the sector are proposing. PM intimated that there are quite a range

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of rent increases up to the 7% being proposed by another Glasgow based RSL.

It was further intimated that we are not proposing to offer options for the rent consultation at this current time.

AC commented that if the 4.2% is an attempt to 'claw back' income lost on sub-CPI rent increases, what is the rationale for not going for a 4.6% increase if that is the case. PM commented that the likelihood is that the Association will not manage to recover everything from those sub-CPI rent increases. AC further enquired what is the rationale for 4.2%, and asked do staff look at budgets and come to the conclusion that the rent increase is based on that. PM agreed that staff do focus on our budget and look ahead to particularly the following year, but also future years expenditure. If the budget is not going to be sufficient to do everything that is required, then decisions need to be taken about what to shelve. PM further commented that he would not be entirely comfortable going much higher than the proposed increase as there have been some significant rent increases over the last couple of years, and our rents are already high comparatively. AC commented that he would consider a higher option.

SR agreed with AC that it is quite hard to decide to what we are consulting on without the draft budget and asked how we are going to sell 4.2% to tenants. PM commented that the sell is that 4.2% allows SHA to continue to be able to deliver what we are doing, PM further advised that bringing the rent consultation later in January presents a timing issue.

LE commented that she feels that the annual rent consultation exercise is always about the highest increase that the Association can bear and get away with. RM remarked that we are doing a lot of investment works. SR agreed but commented that we want to see that in the budgets and the financial projections to see if we are able to deliver this.

JM asked as part of the consultation will tenants not ask what do they get for a 4.2% increase. LE commented that a bigger question is pushback from activism. PM agreed that it may be there is some pushback, but the rent increase is not necessarily about what additional services will tenants receive – this is about running a business with a range of cost increases and managing those while sustaining service delivery.

AC commented that a shorter consultation may be favourable for SHA, particularly if it is not providing options and the rent consultation is viewed by some as a paper exercise. It would be better to make the decision for consultation on the basis of a draft budget.

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**MC decided to bring the rent consultation back to January 2025 meeting for a decision**

**Item 7.1:  
Chief  
Executive's  
Report**

PM presented the CEO report to Management Committee.

**Pollokshields Renaissance Forum:**

***\*Minutes redacted to remove commercially sensitive information***

**GWSF & SHR:** PM highlighted to Management Committee Appendix 2 of the CEO report which contains the Associations' response to the Consultation on the Annual Return on the Scottish Social Housing Charter.

**HR/Staffing:**

***\*Minutes redacted to remove confidential information\****

PM also highlighted that Association offices will close for the Christmas holiday at 2pm on 24th December.

**150 Berryknowes Avenue:** PM advised that a report will be presented to Management Committee in January 2025. PM and DR are meeting with GCC and the Design Team on 12 December 2024. PM advised that GCC have already input the project into their HARP system. PF will lead on a newsletter to go out to affected tenants. RM stressed that importance of tenants needing to know that SHA will not simply leave them hanging. PM agreed and commented that it is important to keep affected tenants in the loop, RM agreed and commented that otherwise the rumour mill predominates. PM intimated also that the Association are looking more widely at reprofiling of development projects over different time periods e.g. 40 – 60 years.

PM further advised Committee that the Association has carried out a Fire Risk Assessment on 150 Berryknowes Avenue. SR commented that it would be good to have a full report which indicates what the Association's responsibilities are in relation to multi-storey flats. PM advised that the Association has signed up with the Scottish Safety Network and will prioritise fire safety arrangement with the network.

**SHN Quarter 2 Benchmarking Update**

PM highlighted Appendix 4 of the report which sets out performance benchmarking with the Association and a peer group of other RSL members of Scotland's Housing Network. PM advised that not every SHN member completes a submission, so the RSL peer group are the most relevant RSLs selected. PM commented that the

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Association are doing fairly well in terms of the group we benchmark with.

**Award Winner – St Andrews Drive Development**

JM Architects won the award for St Andrews Phase 2 at the recent Glasgow Institute of Architects awards

**Item 8.  
Performance  
Bonds and  
Warranties**

DR presented a report on Performance Bonds and warranties to provide clarity around issues discussed at the September 2024 meeting.

DR advised that the report has attempted to provide some general information on both performance bonds and collateral warranties. DR explained that the Association have only ever had performance bonds in place for one development project during her time in post. DR further advised that she had sent a query to Scotland's Housing Network with regard to gauging the use of performance bonds and collateral warranties. DR highlighted within the report, response received and commented that there appears to be a range of different answers from RSLs and local authorities.

DR intimated to Management Committee that performance bonds can be expensive and the cost of these would be included within the overall development costs.

JM thanked DR for a very good report and commented that from her perspective performance bonds are good value in high value/high risk projects, but it is difficult for smaller size SMEs to obtain performance bonds or collateral warranties however that is why they are 'higher risk'. JM advised that if the Association asks for a bond price you can gauge how the bond market assesses the risk around a company. JM intimated that it is often the case in contracts that there is provision for on-going financial monitoring where an RSL can get an inkling where problems or issues may exist. If it gets to the point where an administrator is appointed the Association may be far down the list of creditors.

SR commented that having this as a check on our projects is good in terms of appropriate risk assessment however she would not necessarily support this in relation to smaller contracts. DR agreed with SR in terms of weighing up the additional costs and assessing risk of a project when deciding if a performance bond is a reasonable step.

JM highlighted that for some projects, a parent company guarantee may be appropriate.

**MC noted the contents of the Performance Bonds and Warranties Report and agreed that the inclusion of bonds**

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**within future developments will be considered on a project-by-project basis.**

**Item 9:  
Policies for  
Review:  
SHA  
Donations  
Policy**

DP presented the SHA Donations Policy for Management Committee approval and advised that this policy is a revision of a new policy approved back in February 2024. DP explained that the policy was developed to set out the Association's position in relation to handling requests for donations received from organisations and the policy seeks to regulate the process by which donations are made, set out the delegated authorities and the principles so donations are made in line with the SHA Rules, and also in line with the charitable objects of the Association.

DP intimated that the policy's intent was that the overwhelming bulk of requests for a charitable donation would be channelled via the Association's Community Chest for which a budget is allocated annually from a budget previously allocated to the previous Neighbourhood Committees.

DP highlighted that a review of how this has been working in practice shows that the budget for the Community Chest is quite significantly underspent, and this draft policy has been revised with the headline changes being proposed set out at section 1.7 of this report:

- Reduce the SHA Community Chest Budget to £10,000, allocated on a 50/50 basis between the broad Cardonald/Halfway and Pollokshields/Southside Traditional stock basis.

- Permitting multiple awards from the Community Chest up to a cumulative total not exceeding £1000 within a financial year, and:

- Allocation of £10,000 to a tenant participation budget

DP highlighted a full summary of revisions to the policy is set out at Section 2.1 of the report. DP also intimated to Management Committee that the other parts of the policy in relation to Donations and legacies made to the Association remains unchanged.

Management Committee approved the revised SHA Donations Policy.

**Proposed: AC    Seconded: JM**

**Item 10:  
Mid-Year Budget  
Review**

LB presented the Mid-Year budget to Management Committee

Income & Expenditure:

- Income & Expenditure is now producing a reduced surplus of £457,979 against a projected surplus of £542,618.



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- Capital budget: expenditure is much lower than expected at this point in the financial year, £3 million against projected spend of £5.8 million. LB highlighted component replacements, rescheduled lift replacements and the cessation of private acquisitions as factors.
- Drawdown from revolving credit facility is less than expected as a result of above.
- Benefit of this is that loan interest is much less than what has been budgeted for.

LB highlighted the Factoring budget and commented that expenditure is rechargeable, so this is not having a massive impact on the Income & Expenditure.

Repairs – Voids expenditure now in line with what is expected.

Reactive repairs – budget increased considerably, this will be the case in future years as inflation etc. has had an impact on reactive repairs costs. LB intimated to Management Committee that the contingency budget has been used.

LB also highlighted key change in employment costs and pointed to an underspend in budget for transfers of staff within the Saffron Project and vacancies among the mobile caretaker team. Also pensions obligation for employees with reduced contributions to the Strathclyde Pensions Fund, although LB commented that National Insurance increases will adversely affect this 'bonus'.

LB advised Management Committee that looking at the Association's chart of accounts it tends to use quite complicated headings, LB advised that she looking to modify this.

AC commented on rechargeable income, revised on the basis of what has been collected in the first six months. LB intimated that the Association had overbudgeted on the Factoring Management Fee on the blocks that the Association have stood down from. LB advised that factoring activities may generate a small surplus.

Management Committee approved the Mid-Year Budget and a change in the budget headings

**Proposed: AC**

**Seconded: RM**

**Item 11:  
Update on  
107 Niddrie  
Road  
Retrofit Project**

DR presented an update report on the tenement retrofit project at 107 Niddrie Road.

DR advised that feedback from the project appears to be positive in terms of the energy performance of the properties. DR advised that one flat exhibited much higher energy costs than any others, and this will require further interrogation.

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Feedback from tenants has been positive on the whole in terms of their energy costs, education required around what equipment requires not to be turned off etc.

DR concluded that the project was very expensive but also worthwhile in terms of what it has told us. SR enquired what would we expect the energy costs to be on a project that had no works carried out, and commented how the Association could not replicate that project at scale in relation to costs. DR commented that costs would easily be doubled or trebled within in a traditional pre-1919 tenement with no retrofit works done.

PM remarked that one thing that is clear is that the properties in question are warm affordable homes, however there are a range of behaviours that come along with the retrofitted homes that have to be taken into account, some of the equipment is particularly complex and sophisticated. PM also commented that what the study has told the Association is that gas is cheaper than clean energy which was suspected. PM further remarked that the funding regime needs to stack up if the Scottish Government are to continue with challenging Net Zero housing targets for RSLs.

AC commented that the project ultimately is an academic study which achieved its goal, SR enquired if there are some factors which could be extended elsewhere, while obviously the entire project could not be done at scale, but smaller improvements could be. PM set out to Management Committee a range of measures that the Association are considering. RM expressed surprise at the electricity bill for the year.

**Management Committee noted the update on 107 Niddrie Road.**

***At 8pm Management Committee agreed to suspend Standing Orders and continue the meeting***

**Item 12:  
SHA Community  
Involvement and  
Engagement  
Strategy**

PF presented the Community Involvement and Engagement Strategy to Management Committee.

PF highlighted page 7 of the Strategy to Management Committee in relation to examples of service standards which would be consulted on with customers. In terms of objectives – PF explained the four Strategy Objectives which are set out at page 7 of the Strategy.

Some examples were illustrated from the accompanying draft action plan – consultation in key policies, tenant survey, how the Association will work with volunteers. PF also highlighted a section of the Strategy in relation to Partnership Working and commented how the Association provide premises for free or at a reduced cost, or other funds for community organisations.

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SR commented with regard to highlighting what funding is available and how the Association might provide some examples that comes back in the consultation. PF advised that a final draft will be presented to Committee in March 2025.

PF

**MC noted the draft SHA Community Involvement and Engagement Strategy and were satisfied with the general direction of the Strategy and Action Plan to allow consultation in January and February 2025.**

**Item 13:  
Reactive  
Repairs  
& Void  
Expenditure  
Six-Monthly  
Review**

LB presented a six-monthly review of reactive repairs and voids spend to Management Committee. LB advised that there is an overspend of £175,000 at the mid-year point.

- One offs – £51K rechargeable repairs overspend the majority of which relates to works carried out at *\*Minutes redacted to remove third party personal data\**, £27K recharged to recoup money.
- Medical adaptations work may be recoverable through grant. Application will be submitted during Q3.

LB has spent a good amount of time benchmarking reactive budget levels with other RSLs and noted that the Association are considerably higher. A few contributory factors such as associated reactive repairs expenditure linked to installation of Air Source Heat Pumps in 2022/23 resulting in an additional £45K per annum and additional remedial expenditure driven by works such as EICR inspection. LB advised that this latter element is expected to slow in the second half of the financial year. LB intimated that void expenditure represents a better picture and appears to be under relative control.

LB commented that this will have a long-term impact upon the Business Plan, year-on-year tweaks will be required to the Business Plan.

RM enquired why there are reactive repairs required on Air Source Heat Pumps when they are only a year in from installation and is this not too early to have repairs required. PM advised that these installations have been in longer than one year but acknowledged however that this should not require reactive repairs, and the Association would look to get this on a contract. LB added that there a lot of unknowns still on this type of heating.

SR asked for further explanation of the graph 1 on page 3 of the report. LB advised that this is an aggregate of total repairs costs, and it is interesting to observe trends in terms of costs. SR enquired if the Association is still not in a position to break down the reactive repairs spend. LB advised that we can split it up in terms of

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contractors, although acknowledged that it would be better splitting down on the basis of trade rather than contractor.

PM remarked that we can also split spend by priority code e.g. Emergency/Urgent and operationally this is done. LB commented that it is also helpful to look at average costs per job, because we can then start to observe trends and it would be a good exercise to look at costs of MMR voids, i.e. MMR properties void repairs work is to a higher specification. PM highlighted that anecdotal evidence from the repairs team is that MMR voids are coming in at a much higher cost. AC enquired if the Association considers this in its MMR rent setting, and ultimately it will be – but there are also levels in terms of rent setting. It may be in the future that the Association consider MMR as a service in terms of value for money, certainly for specific areas.

RM enquired should the MMR budget be paying for this. PM commented that the Association are getting the costs back at either the front end or back. PM also added that the Association are one of the bigger providers of MMR in terms of RSLs. LB commented that this is where benchmarking can be distorted where other RSLs do not have the same scale and costs in terms of MMR.

SR asked whether Medical Adaptation funding will continue. DR commented that the Association have not heard anything to the contrary and £92K has been received from GCC.

**MC noted the six-monthly reactive repairs spend report**

**Item 14:  
Eviction  
Report**

*\*Minutes redacted to remove confidential information\**

Management Committee approved the case to proceed to eviction.

**Proposed: RM                      Seconded: AC**

**Item 15:  
Governance  
Matters etc**

No items for noting.

**Item 16:  
Relationship  
with  
other bodies**

Nothing for noting

**Item 17:  
SHR Guidance,  
Correspondence  
& Notifiable  
Events**

DP presented a report representing a summary of the Notifiable Events submitted during 2024 by the Association to the Scottish Housing Regulator.

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**Item 18:  
Any Other  
Competent  
Business** PM brought to the Management Committee’s attention that two decrees for eviction have been obtained and asked for Management Committee to approve a few Management Committee members approving an eviction in between Management Committee meetings with action being reported to the next available Management Committee meeting.

Management Committee approved this proposal.

**Item 19:  
Date of  
next meeting** **Date of next meeting will be Thursday 30 January 2025.**  
**The meeting concluded at 8.34 pm**

