

**MINUTE OF MEETING  
PARTICK HOUSING ASSOCIATION BOARD  
HELD IN THE PHA BOARDROOM,  
18 MANSFIELD STREET  
6.15pm Wednesday 19 June 2019**

**Present:** Alastair Firth (Acting Chair)  
Annette Bonar  
Margaret Burke  
Iain Mackenzie  
Patrick McGlinchey  
Janet Naphine  
Helen Turner  
Jennifer Young

**Apologies:** David Downie  
Alan Howie  
Yvonne MacQuarrie  
Les Milne

**Attending:** Stewart MacKenzie, Chief Executive (CEO)  
Eamonn Hughes, Finance Director (FD)  
Brian Lochrie, Development & New Business Director (DD)  
Jacqueline McCutcheon, Corporate Services Manager (CSM)  
Michael Monaghan, Housing Services Manager (HSM)  
James Armit, Senior Corporate Services Assistant (Minutes)

<p><b>Item 1</b></p>	<p><b>Chair's Welcome</b> Alastair Firth was the acting Chair for the meeting. He welcomed everyone to the meeting and thanked them for their attendance.</p> <p><b>Apologies</b> Apologies were noted as detailed above.</p> <p><b>Declaration of Interest</b> No interests were declared.</p>	
<p><b>Item 2 Doc 1</b></p>	<p><b>Approval of Previous Minutes</b></p> <p><b>PHA Board – 15 May 2019</b> The minute of 15 May 2019 was agreed as a true record. On a proposal by Iain Mackenzie and seconded by Jennifer Young, the minute was <b>approved</b>.</p>	
<p><b>Item 3 Doc 2</b></p>	<p><b>Review of Action Tracker</b> Members noted SHN's scheduled visit on 6 September 2019 and that details would be sent in due course inviting Members to attend.</p>	<p><b>CSM</b></p>

	<p>A number of the items on the action tracker had been completed or were to be discussed later in the agenda.</p> <p>The Board <b>noted</b> the action tracker.</p>	
<p><b>Item 4 Dec 1</b></p>	<p><b>30 Year Financial Business Plan 2019-2049 &amp; SHR 5-Year Financial Forecast Return 2019-2024</b></p> <p>The FD introduced the report, summarising key points and noting a continued strong financial position.</p> <p>There was discussion and clarification provided on: the percentage of rental income spent on property; movement in the estimated 2024/25 cash surplus; and positive surpluses in most of the scenarios evaluated.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the updated 30 year Business Plan 2019-49.</li> <li>2. <b>Approved</b> the 5-Year Financial Forecast Return to the SHR for the period 2019-2024.</li> <li>3. <b>Delegated</b> authority to the Finance Director to complete the SHR online electronic return on behalf of the Association using the SHR's portal, before the 28 June 2019 deadline.</li> </ol>	
<p><b>Item 5 Dec 2</b></p>	<p><b>Laurel Street Development Update</b></p> <p>The DD presented this report to the Board, noting that the Investment Committee had agreed in principle that the scheme approval report including finalised tender costs would be presented to PHA Board for consideration. Approval was now being sought for taking forward the project of 24 social rented flats to the construction stage, following on from previous Board approvals to acquire and develop the site.</p> <p>Members sought assurance and clarification on why the project costs were higher than anticipated when the site was purchased in 2015. As well as general construction market cost growth, there had been specific challenges with the site that had increased the cost for external works. Some of these had arisen due to planning conditions and the new 'Glasgow Standard' requirements introduced by the Council.</p> <p>However it was further noted that an enhanced level of Housing Association Grant (HAG) had been provided which improved the overall project viability. On 12 June 2019 we received a formal offer of HAG from the Council for £2,139,888 (equating to £89,162 per unit).</p> <p>It was further noted the contractor chosen to carry out the works, through the use of the Scottish Procurement Alliance (SPA) Framework, would be CCG Ltd. It was hoped that if the site start commenced in August 2019, then the estimated completion date would be October 2020.</p>	



	<p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Agreed</b> in principle that the Laurel Street Development project should proceed to the construction stage.</li> <li>2. <b>Approved</b> the Laurel Street Development Scheme Budget set out in Appendix A, totalling £4,416,132 including VAT (where applicable).</li> <li>3. <b>Noted</b> the contents of the DM Hall Report 'Laurel Street Development Project' confirming that the costs reported were in line with the current construction costs in Appendix B.</li> <li>4. <b>Noted</b> the draft Risk Register set out in Appendix C.</li> <li>5. <b>Delegated authority</b> to the Chief Executive to accept the offer of £2,139,888 Housing Association Grant (HAG) from Glasgow City Council.</li> <li>6. <b>Delegated authority</b> to the Chief Executive to award the main works contract to CCG Limited for the contract sum of a maximum £3,520,000.</li> <li>7. <b>Noted</b> the content of this report.</li> </ol>	
<p><b>Item 6 Dec 3</b></p>	<p><b>Treasury Management Update</b></p> <p>The FD provided an overview of our future borrowing requirements. Funding proposals had been evaluated by Aquila Treasury &amp; Financial Solutions (ATFS), our retained specialist treasury advisers. These had been discussed at our Treasury Short Life Working Group (SLWG), which considered that the proposal from Allia in relation to a facility of £13million for a 15-year period was the preferred bid in terms delivering our business objectives and value for money.</p> <p>There was discussion about the key features of the loan. The proposed fixed interest rate was competitive, cheaper than our business plan assumptions and projections. In addition, there was no requirement for significant legal work to put the deal together – this would be an unsecured loan and could be put in place relatively quickly. Allia uses a standard Master Facility Agreement (MFA) to set out the terms and conditions of the loan, which had been shared with PHA and was presented at the Board meeting, substantially in final form.</p> <p>It was reported to the meeting that Allia had made an offer of a Loan under the terms of the MFA for £13million. It was noted that the entry into the Loan would not breach the Rules of PHA, or any existing contractual or statutory obligations of PHA, and that PHA was fully empowered to enter into the MFA and the Loan and to perform its obligations thereunder.</p> <p>The Board considered that:</p> <ul style="list-style-type: none"> <li>• the proposed Loan was necessary in order for PHA to implement its business plan; and</li> <li>• in accordance with forecasts set out in the business plan, PHA will be able to repay the Loan on the terms offered by Allia.</li> </ul>	

	<p>The Board resolved that:</p> <ul style="list-style-type: none"> <li>entering into the MFA and the Loan is in the best interests of PHA;</li> <li>the MFA be approved in substantially the form of the relevant drafts presented to the meeting with such amendments as PHA approves;</li> <li>PHA be authorised to agree the final terms of the MFA and any other document which may be considered necessary or desirable in connection with the entry by PHA into the MFA, with such amendments as shall be approved by the Board;</li> <li>the PHA Chair, Chief Executive and Finance Director were authorised on behalf of PHA to execute the MFA and any other document which is required to be executed pursuant to the MFA and any other Finance Document (as defined in the MFA) which is required to be executed, which documents shall be either sealed or witnessed as appropriate, and registered in the books of PHA;</li> <li>the PHA Chair, Chief Executive and Finance Director were authorised on behalf of PHA to execute and deliver any other documents, notices, letters or other communications and to perform all matters, acts and things which such person in their absolute discretion deems to be necessary or desirable in connection with the MFA or any other Finance Document, including the provision of any certificates or drawdown requests required as a condition precedent to a loan advance.</li> </ul>	
	<p>The Board:</p> <ol style="list-style-type: none"> <li><b>Agreed</b> in principle to pursue as a first choice the funding proposal from Allia Social Impact Investments Limited (Allia) to borrow £13 million for a 15-year period.</li> <li><b>Delegated</b> authority to the PHA Chair, in conjunction with the Chief Executive and Finance Director, to agree and sign the final deal.</li> <li><b>Agreed</b> to initiate discussions with Clydesdale Bank about reviewing and updating our current Revolving Credit Facility (RCF) to meet our future business needs.</li> <li><b>Noted</b> the contents of this report.</li> </ol>	<p>Chair / CEO/ FD</p>
<p><b>Item 7 Dec 4</b></p>	<p><b>SHR Annual Loan Portfolio Submission 2018/19</b></p> <p>The FD provided members with a copy of the detailed annual return, in the format prescribed by the SHR, which provided information and assurance on PHA's Loan Portfolio position.</p> <p>It was noted the Association had repaid £650,000 during 2018/19 meaning the debt of £12,650,000 at 31 March 2018 had reduced to £12,000,000 at 31 March 2019.</p> <ol style="list-style-type: none"> <li><b>Approved</b> the Annual Loan Portfolio Return for 2018/19 to the Scottish Housing Regulator.</li> </ol>	



	<p>2. <b>Delegated</b> authority to the Finance Director to complete the online electronic return on behalf of the Association using the Scottish Housing Regulator’s portal, before the 28 June 2019 deadline.</p>	
<p><b>Item 8 Dec 5</b></p>	<p><b>CEO Report</b> The CEO summarised the key headlines within the report.</p> <p>Members noted that Jeremy Kemp, who is a shareholder member, had recently expressed an interest in joining the Board. PHA’s Chair, PHA Vice-Chair and Chief Executive had met with him to discuss his background and experience and how these could be relevant to PHA. Members also considered the draft agenda for our next AGM on 11 September 2019.</p> <p>As previously reported, Glasgow City Council had given notice to terminate their lease with PHA relating to the supported accommodation facility located at Purdon Street with effect from 10 November 2019. The Leadership Team and Management Team had considered our options for the future use of the building, including timescales and likely costs. Our preferred option would be to convert and reconfigure the building into individual social rented flats. Following preliminary discussions with the Council, Housing Association Grant would be available to support the costs of conversion subject to the usual evaluation of any proposals and necessary consents. We had therefore included the reconfiguration of Purdon Street within our updated Strategy &amp; Development Funding Plan and detailed proposals would be presented to future Investment Committee.</p> <p>Members noted our Strategy and Development Funding Plan 2020/21 – 2024/25 that requires to be submitted to Glasgow City Council before the deadline of 28 June 2019. Members were given a draft summary of sites, which we aim to include as part of our SDFP submission to the Council. Members asked that Investment Committee updated the Board on potential new sites.</p> <p>It was noted that PHA had allocated a budget of £20,000 for 2019/20 to carry out works to reconfigure some bin stores. We anticipated that the work programme would be carried out over a 5-year period and would address issues with different sized bins and bin stores.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the appointment of Jeremy Kemp to fill a casual vacancy on the Board of Partick Housing Association Limited.</li> <li>2. <b>Agreed</b> in principle to Partick Housing Association’s Strategy &amp; Development Funding Plan 2020/21 – 2024/25 and delegated authority to the Chief Executive to submit it to Glasgow City Council before the deadline of 28 June 2019.</li> <li>3. <b>Noted</b> the contents of the report.</li> </ol>	<p><b>DD</b></p> <p><b>OD</b></p>

<p><b>Item 9 Info 1</b></p>	<p><b>Review of Standing Orders, etc.</b> The CEO and CSM introduced the proposed methodology for reviewing our Standing Orders, etc.</p> <p>The Board last reviewed/approved our Standing Orders in November 2017 (including the PHA/PWL Independence Agreement). Their purpose was to ensure that the Association had effective and proportionate governance arrangements in place, which were consistent with our corporate objectives and supported the smooth running of the organisation in line with statutory and regulatory requirements.</p> <p>Based upon the current Standing Orders a summary of likely revisions were set out, along with a suggested rationale for such changes. We were carrying out our review with input from BTO Solicitors to ensure compliance with current statutory and regulatory requirements.</p> <p>The Board: 1. <b>Noted</b> the contents of this report.</p>	<p><b>CSM/ CEO</b></p>
<p><b>Item 10 Info 2</b></p>	<p><b>Committee Minutes</b> The Board: 1. <b>Noted</b> the content of the PWL Board minute of 27 February 2019 as set out in Appendix 1.</p>	
	<p><b>AOCB</b> M. Burke provided Members with an update from TIS (Tenant's Information Service) conference she attended on 14 &amp; 15 June 2019.</p>	
	<p>The Chair thanked everyone for their attendance and contributions. The meeting closed at 8.15pm. Officers left the meeting to allow members and the CEO to complete their post-meeting review.</p>	
	<p><b>Next Meeting</b></p> <ul style="list-style-type: none"> <li>• PHA Board meeting: Wednesday 21 August 2019 at 6.15pm.</li> </ul>	