

**LINTHOUSE HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT COMMITTEE SINGLE ISSUE MEETING**  
**Approved Minute** of a meeting held at 1 Cressy Street, Glasgow  
And via Zoom on  
**Tuesday 03 May 2022 at 6.00pm.**

**PRESENT**

David McGeoch, DM (Chair)  
Sheila McGeoch, SM  
Frank Murphy, FM  
Heike Bley, HB  
Mary Ray, MR  
Alison Guthrie, AG  
Colette Ness, CN  
Susan Brown, SB

**IN ATTENDANCE**

Irene C. McFarlane, IM (Chief Executive Officer)  
Derek Rainey, DR (Asset Manager)  
Craig Douglas, CD (Technical Services Manager)  
Andrea Walker, AW (Head of Housing and Community Empowerment)  
Alison Greig, AGr (Corporate Services Manager)  
Fettes McDonald, FMD, (FMD Financial Services)  
Mark Smith, MS (Grant Murray Architects)

**APOLOGIES**

Graham Gillespie

**Observers:** Bryan McMahon, Eleanor Derbyshire, Thenue Housing Association, Andrew Kubski, West of Scotland Housing Association

<b>1.</b>	<b>APOLOGIES</b>
1.1	Apologies were received from Graham Gilespie
<b>2.</b>	<b>WELCOME AND INTRODUCTIONS</b>
2.1	DM welcomed everyone to the Single-Issue Meeting that would be covering the subject of the Tenement Window Replacement and Sandstone and Associated Repairs Strategy and thanked staff for the work that had been put in getting LHA this far in the strategy.
<b>3.</b>	<b>TENEMENT STRATEGY PHASE 1-7 DEVELOPING A RISK ASSESSED FUNDABLE APPROACH</b>
3.1	IM thanked everyone for attending tonight and provided an overview of where LHA was at in respect of the Tenement Strategy and how the approach so far would be developed over future phases. IM advised that the focus on the phases up until now had been on completing the closes that were in full LHA ownership and where possible making acquisitions to maximise funding and closes are completed in early phases. Phases 4-7 taking place over the next 5 years, is expected to cost circa £11.9m with the bulk of owners in phases 6 and 7.
3.2	IM emphasised the importance of making connections with other Housing Associations to ensure joined working and that lessons are learned from one another. IM continued that the BM would be making arrangements with Govanhill HA for a study visit. It would also be pertinent to explore joint procurement opportunities with other HAs to secure economies of scale.
<b>4.</b>	<b>KEY LESSONS LEARNED FROM PHASE 1-2 INCLUDING Q &amp; A</b>
4.1	MS and CD then took over from IM and provided an overview of how the team went about surveying the properties and going to tender. MS explained that the

initial survey is done from street level and once the tender is complete and scaffolding erected, they carry out a more detailed survey and test every stone to map out the work required. While the scaffolding is up, they also carry out checks on roofs and chimneys to see if any work required as better to complete this while scaffolding is up as it avoids cost and disturbance of putting scaffolding up at a later date.

CD confirmed that the initial feedback from the tenants in the early phases are that the window replacements are making a difference to their homes.

MS went onto explain that while the surveys do the best to get the costs as accurate as possible it will be necessary to include a 15%-20% uplift to cover any unforeseeable circumstances.

SB asked why a cherry picker was not used at the initial survey to carry out a more in-depth assessment and avoid the need for including the uplift. MS confirmed that while a cherry picker is an option, it is more expensive option and while the uplift is included in the costings it is rare it will need to be applied. CD also confirmed that using a cherry picker comes with its own issues as drivers don't heed notices about keeping areas clear, and if there is overhead wiring this can also cause issues which are better addressed by the use of scaffolding.

## **5. OWNERS ESTIMATED COSTS & LEGAL BASIS FOR DIVISION OF SHARES.**

5.1 DR provided the committee with details on estimated costs based on the first 3 phases of the project, noting that some tweaks have been made to costs due to the late addition of 14 Hutton Drive in the early phases, and provided an overview on some of the legal requirements that will have to be carried out in terms of title deeds and division of share of costs.

DR confirmed that LHA is already in discussion with NRS in respect of what grants may be available to owners to help with costs. These discussions are based on the estimated costs of phases 1-3 and will dictate whether grants are sought on a large scale or small-scale work basis. DR explained to the committee the difference between grants for large and small-scale works, and that LHA would be going down the route of small-scale grant work; however, there is a risk to the Association if work turns into large-scale as we cannot go back and apply for a grant again.

CN asked if the cost examples were just for the stonework repairs and what would happen to these when windows are to be included. DR explained that it is the owner's responsibility to replace the windows and for these phases, LHA would only be replacing the windows for tenants. There will be costs included for communal windows such as in the stairwells, but the bulk of the owners' costs are for stonework repairs.

DR then moved onto external factors impacting on devising the strategy and the time required to develop a flexible phase by phase risk assessed approach to delivery. The biggest external factor risk to the Association is the owner not engaging and paying their share of the costs. DR advised that such instances could be covered by Missing Shares provided by Glasgow City Council, however, LHA has owners who own multiple properties and if they do not engage in the early phase, we would be unable to apply for the grant for any properties at a later phase. DR also covered options if material costs continued to rise and the possibility of delaying the project to a more settled time. This will

need to be assessed on a phase by phase basis when tenders are returned as it would be unacceptable to LHA tenements not to replace the windows due to their age and condition.

DR advised that there will be a need to consider an acquisitions and disposal strategy to determine whether buybacks should be carried out if owners would prefer to sell, even if the buyback would not qualify for grant funding, and consider the potential to dispose of properties in blocks where LHA does not have a majority share i.e. in one Skipness Drive block LHA only has one property.

## **6. FUNDING THE WINDOWS STRATEGY WHILST BALANCING UNCERTAINTY OF OWNER'S PARTICIPATION AND THREE FUNDABLE OPTIONS**

6.1 FMD provided the committee with an update on the long-term projections and external factors and assumptions that played into these. FMD advised that the information provided would form part of a more detailed report at the next Committee meeting in preparation for the 5-year projections submission to the Scottish Housing Regulator.

FMD then ran through the difference of the gold and bronze options for funding the work and the levels of debt required for both options. He confirmed that LHAS has the ability to fund both options from increasing borrowing.

## **QUESTIONS and ANSWERS**

IM advised the Committee that a decision was required on what option is presented at the full Committee meeting at the end of May

MR asked if the gold option was based on the assumption that owners would pay for their share. FMD confirmed it was.

CN asked if LHA could force an owner to undertake the work i.e. if it was an emergency. IM confirmed it is possible, but LHA would have to take on the initial financial risk and pursue the owner for the costs if they fail to engage. IM advised that GCC have been successful in pursuing missing shares by being clear about the fact that not paying will result in an additional percentage onto full cost and in further admin costs as well as recouping the costs of legal costs.

DM asked if it was still possible to place inhibitions on properties for factoring debts owed. IM confirmed it was however inhibitions include a charge at placement and each renewal, which is possibly every 5 years or so.

IM advised that it will be necessary to train staff up and offer staff the right tools to deliver on the options LHA will be using, however, staff are not financial advisers and cannot give such advice to owners. ED noted that an owner's obligations would be set out in the title deeds which allows for the potential for them to be taken to court to recover costs, but the use of the Missing Shares Schemes may avoid this and the additional costs.

MR noted that before the Council will put up any grant money, they will require a signed mandate and upfront payment of the owner's share. IM noted that this would be the council's preferred position in an ideal world but the chances of owners having the level of funds required at the beginning are unlikely and our staff cannot advise owners on how to go about financing the works. IM advised that discussions with the council will

include seeking priority status for Linthouse based on upcoming regeneration Linthouse area she pointed out that is unsure how difficult it would be to achieve this.

SB noted how difficult it will be for owners to afford this work as many are living day to day. SM concurred with this and felt it was important to engage with owners early to help them prepare and asked whether it would be possible to link them up with the local credit union to explore savings options.

AW noted that home visits by the temporary Factoring Debt Officer highlighted the conditions some of the owners live in and that they don't have the extra money for these works, and it becomes a case of working with them to maximise income and identify ways it can be affordable. IM concurred with this and noted that it may very well be that many of the owners/properties fall into this category if owners can not secure 100% grants. LHA may need to side aside funds to carry out acquisitions and perhaps FMD could identify a pocket of money for that, bearing in mind that such acquisitions, would have a range of benefits for the organisation.

MR asked whether we notify interested buyers of repair issues when the properties go up for sale as such costs could affect value and sales of properties. DR confirmed that there was a standard conveyancing question that is asked as part of the sales survey, and it would be flagged up then, but LHA may not have a figure on cost at that point. CD also advised that it would be difficult to include reactive repairs as it's not possible to plan for emergency works.

IM raised the need for communication with owners and a communication strategy will form part of the project tools once approved by the committee and staff have finished identifying all possible grant funding amounts/sources for owners .

Committee **AGREED** that the gold option would be put to the Committee for consideration.

The committee continued discussions on the effect of some properties being in the conservation area, and owner affordability.

DM concluded the meeting and thanked everyone for taking part.

#### **DATES OF NEXT MEETINGS:**

- **Audit & Assurance Sub-committee** – Tuesday 17 May 2022 at 6pm
- **Management Committee meeting** – Tuesday 24 May 2022 at 6pm
- **Staffing Sub-committee** – Tuesday 21 June 2022 at 6pm
- **Policy Working Group** – Tuesday 31<sup>st</sup> August 2022 at 6pm

Meeting closed at 19:40

**David McGeoch**  
**CHAIRPERSON**