

Prospect Community Housing
Committee Meeting - September 2020
Wednesday 30 September 2020, 7:00 PM — 9:00 PM BST

Present:	Milind Kolhatkar Sheila Bunt Mary MacRaild Alan Gee Shulah Allan Amanda Miller Simon Campbell Brendan Fowler Lynne Bell Catherine Louch Neil Munro Julie Thynne Caroline Richards	Chairperson Vice-Chair Committee Member Committee Member Committee Member Committee Member Committee Member Director Finance Manager Housing Manager Property Services Manager Corporate Services Officer Community Projects Officer (Item 4 only)
Apologies:	Naomi MacKenzie Mo Connolly Chuks Ododo Kaydee Moyo Peter Matthews Jolly Oluka	Treasurer Secretary Committee Member Committee Member Committee Member Committee Member

1 Welcome and Apologies

Brendan Fowler welcomed attendees to the meeting and explained he would chair the first part of the meeting until the Chairperson had been elected.

Development brought above the line, after Item 13.

Apologies were noted from Mo Connolly, Naomi MacKenzie, Chuks Ododo, Kaydee Moyo, Jolly Oluka and Peter Matthews.

Brendan Fowler advised Peter Matthews had requested a leave of absence for a period of 4 months until January 2021. The application was proposed by Sheila Bunt, seconded by Milind Kolhatkar and approved by all members present.

2 Declaration of Interest

There were no declarations of interest.

3 Election of Office Bearers

Brendan Fowler advised there had been one nomination received for all office bearer positions and there would be no requirement for an election process.

3.1 Election of Chairperson

One nomination had been received from Milind Kolhatkar.

The nomination was proposed by Simon Campbell, seconded by Amanda Miller and approved

by 6 members present, 1 member abstained from voting. Milind Kolhatkar was duly elected as Chairperson.

Milind Kolhatkar took over the chairing of the meeting.

3.2 Election of Vice-Chairperson

One nomination had been received from Sheila Bunt.

The nomination was proposed by Alan Gee, seconded by Shulah Allan and approved by 6 members present, 1 member abstained from voting. Sheila Bunt was duly elected as Vice-Chairperson.

3.3 Election of Secretary

One nomination had been received from Mo Connolly.

The nomination was proposed by Amanda Miller, seconded by Alan Gee and approved by all members present. Mo Connolly was duly elected as Secretary.

3.4 Election of Treasurer

One nomination had been received from Naomi MacKenzie.

The nomination was proposed by Amanda Miller, seconded by Alan Gee and approved by all members present. Naomi MacKenzie was duly elected as Treasurer.

3.5 Schedule of Authorised Signatories

The Schedule of Authorised Signatories was duly completed with the names of the elected office bearers and relevant staff members and approved by all members present.

4 Six Monthly Review of Community Projects

Milind Kolhatkar welcomed Caroline Richards to the meeting, and she presented an update on Community projects work over the past 11 months.

Caroline Richards noted there had been challenges with partnership working remotely, however the established partnership were still working well. Several agencies were also facing challenges with ongoing funding. She advised the debt advice project had been delayed as this required face to face interaction, however it would be progressed once the restrictions allow.

Committee members thanked Caroline Richards for the report and for all the good work carried out. Caroline Richards left the meeting at this point.

5 Review of Remits

Brendan Fowler presented the Management Committee and Working Group remits. It was noted the Health and Safety Working Group was not presented as it had previously been agreed this group would be a staff group and Committee would receive quarterly update reports.

It was agreed the Management Committee remit would be updated to reference both internal and external audit reports.

The remits for the Management Committee, Budget Working Group, Equalities Working Group and Development Working Group were proposed by Alan Gee, seconded by Simon Campbell and approved by all members present.

6 Election of Working Group Members

Budget Working Group

Sheila Bunt, Alan Gee, Milind Kolhatkar, Amanda Miller and Naomi MacKenzie were elected to the Budget Working Group.

Equalities Working Group

Milind Kolhatkar and Shulah Allan were elected to the Equalities Working Group.

Development Working Group

Mo Connolly, Simon Campbell, Alan Gee, Milind Kolhatkar and Mary MacRaild and were elected to the Development Working Group.

It was agreed absent members would be contacted and the Working Group members would be updated at the next meeting.

7 Minutes of Previous Meeting

The Minutes of the meeting held on 26 August 2020 were proposed by Sheila Bunt, seconded by Alan Gee and approved by all members present.

8 Matters Arising Report

The Matters Arising report was noted.

9 Register of Undertakings

The Register of Undertakings was noted.

10 Policy Review

Brendan Fowler presented the revised Grievance policy and advised some changes had been made to reflect feedback from EVH and to link in with ACAS good practice guidance.

A discussion took place regarding the employee's right to be accompanied at formal meetings and it was noted the policy indicated the companion could be a trade union representative or work colleague. Committee requested this be reviewed to ensure employees have appropriate support through a grievance process. Brendan Fowler advised this area would be reviewed and the policy would be presented at the next meeting.

11 Management Team Report

The Management Team report was noted.

Brendan Fowler advised the usual arrangements for a Committee Strategy Day would not be possible this year and he proposed holding a shorter session via Zoom. The topic would focus on rent affordability and it was noted it could be linked to the recent report from the Poverty Commission. This approach was agreed, and Brendan Fowler advised plans would be made to hold a session in a couple of months.

12 Risk Management Quarterly Review - Money Category

The Money category was presented for review.

12.1 Inability to evict tenants due to Sheriffs not granting eviction decrees and extension of Notice of Proceeding notice period to 6 months due to Covid Virus, resulting in an increase in rent arrears.

Catherine Louch presented the report on the above risk. She advised the risk title had been updated to reflect the current situation and the risk was increased to red with actions in place to treat.

12.2 Significant increase in rent arrears due to external pressures

Catherine Louch presented the report on the above risk. No changes were recommended.

12.3 Financial models are not accurate resulting in weaker financial position

Lynne Bell presented the report on the above risk. No changes were recommended.

12.4 Inaccurate budgeting results in overspending budgets

Lynne Bell presented the report on the above risk. No changes were recommended.

12.5 Increase in costs due to legislative and wider political changes

Lynne Bell presented the report on the above risk. It was noted this was a red risk, no changes were recommended.

12.6 Unknown future cost of past service pension deficit may cost Prospect more than budgeted

Lynne Bell presented the report on the above risk. It was noted there was no longer an active Pensions Working Group, however this could be implemented should the need arise. It was agreed to keep the reference to this group within the control actions. No changes were recommended.

12.7 Anticipated planned maintenance spend is understated resulting in financial difficulties

Neil Munro presented the report on the above risk. No changes were recommended.

The Risk Management – Money Category was proposed by Alan Gee, seconded by Amanda Miller and approved by all members present, subject to the above mentioned changes.

13 Audited Financial Statements Return to Scottish Housing Regulator

Lynne Bell presented the annual Audited Financial Statements return to the Scottish Housing Regulator and advised the information in the return had been taken from the audited annual accounts.

The Audited Financial Statements Return was proposed by Sheila Bunt, seconded by Alan Gee and approved by all members present.

14 Development Paper

Brendan Fowler advised Management team had requested the Development paper be brought above the line for discussion. He advised there was a requirement to provide an update on the Kingsknowe development following discussions with Smart since the papers were published.

Neil Munro provided a summary of recent discussions between Smarts and the Kingsknowe Golf Course. He advised the missives for the purchase of land had been due for signature in the last week, however the date had passed with no agreement to extend. Kingsknowe Golf Club were now seeking to renegotiate the land purchase price. Smarts were in discussion with the Golf Club and were optimistic a resolution could be reached, however they would not be committing any resource to progress the development until the situation was resolved. Ultimately this would result in a delay to the site start date and could increase the overall cost of the development.

Brendan Fowler advised he would update the Development Working Group and the Chair with developments over the next few days and a full update would be presented to Committee at the next meeting.

15 Private Finance Loan Agreement

Lynne Bell advised she felt it was important for Committee to be updated on the progress with the Kingsknowe development before this agenda item. She advised she had taken advice from our solicitor and they had recommended to proceed with Committee approval for the loan agreement, however the actual loan agreement would not be signed until there was a legal agreement in place for the purchase of the land. It was noted if Prospect did not proceed with the loan agreement costs would be incurred for legal fees and the valuation fee.

Following a discussion it was agreed the loan agreement would not be signed whilst the missives were outstanding. If the situation were to be resolved by 9 October 2020 the loan agreement would be signed and if there was not resolution the loan agreement would not be signed. Committee were asked to provide delegated authority to sign the loan agreement, subject to the missives being in place.

Lynne Bell advised RBS required a copy of the Association's rules. Members had voted to adopt the new model rules at their SGM on 22 September, however these rules had not been lodged with the Financial Conduct Authority and the Scottish Housing Regulator and were therefore not valid. She advised the new rules would be submitted to RBS once they had been fully registered.

A discussion took place and it was noted the loan agreement documents had been drawn up by Brodies who acted on behalf of RBS, however Prospect's solicitors, TC Young, had reviewed the details on behalf of Prospect. The documents encompassed the existing loan facilities along with the new arrangement.

Approval of the banking documents and for delegated authority to execute the banking documents was proposed by Shulah Allan, seconded by Alan Gee and approved by all members present, subject to missives being in place as described above. The below minute, required by RBS was noted.

BANKING FACILITIES WITH THE ROYAL BANK OF SCOTLAND PLC

1. It was reported that the meeting of the Committee of Management of Prospect Community Housing Limited ("Prospect") had been duly convened in accordance with the terms of the constitutive documents of Prospect and that a quorum was present.
2. Management Committee were reminded that Prospect had entered into facilities agreements with The Royal Bank of Scotland plc (the "Lender") dated 1 and 4 December 2006, 26 November and 3 December 2008 and 16 March 2011 as amended and restated by an Amendment and Restatement Agreement dated, 27 and 28 March 2014 and further amended by Letter dated 25 January 2017 and accepted 3 February 2017 ("**Existing Facilities Agreements**").
3. The Finance Manager reported that the purpose of the meeting was to consider and, if thought fit, approve: (i) the terms of an amendment and restatement agreement between Prospect and the Lender (the "**Amendment and Restatement Agreement**") which would amend and restate the terms of the Existing Facilities Agreements (the "**Restated Facilities Agreement**") and (ii) certain other documentation which required to be entered into by Prospect in connection with the Amendment and Restatement Agreement.
4. The Finance Manager confirmed that each of the following documents had been circulated to members of the Committee of Management in advance of the Meeting and were to be considered at the meeting, each substantially in final form:
 - 4.1. the Restated Facilities Agreement;
 - 4.2. the Amendment and Restatement Agreement; and
 - 4.3. an officer's certificate (the "Officer's Certificate") to be given by an authorised signatory of Prospect containing various certifications required pursuant to the Amendment and Restatement Agreement;

(the Restated Facilities Agreement, the Amendment and Restatement Agreement and the Officer's Certificate together being known as the "**Banking Documents**").
5. It was reported to the meeting that Prospect was fully empowered to enter into the Banking Documents and to perform its obligations thereunder.
6. In accordance with the constitutive documents of Prospect, each of the members of the Committee of Management present declared the nature and extent of all such interests in the business proposed to be transacted at the meeting as are required to be declared by the constitutive documents of Prospect. It was noted that, such interests having been declared, the members of the Committee of Management considering the proposal were entitled to vote on the business to be transacted and to be counted in the quorum of the resolution.
7. The Committee of Management having reviewed the advice of the Finance Manager on the financing arrangements for Prospect, considered that:
 - 7.1. the proposed facilities under the Restated Facilities Agreement were necessary in order for Prospect to implement its Business Plan (as defined in the Restated Facilities Agreement);

- 7.2. the terms of the Amendment and Restatement Agreement and the Restated Facilities Agreement were reasonable having regard to the status of Prospect as a registered housing association; and
- 7.3. in accordance with forecasts set out in the Business Plan, it will be able to repay the facilities on the terms set out in the Restated Facilities Agreement.
8. The Committee of Management RESOLVED THAT:
- 8.1. entering into the Amendment and Restatement Agreement is in the best interests of Prospect as it will ensure the continued financial support of the Lender to Prospect;
- 8.2. the Banking Documents be approved in substantially the form of the relevant drafts presented to the meeting with such amendments as any Authorised Signatory (as defined in Paragraph 8.3 below) shall in his/her discretion approve;
- 8.3. any one of:
- (a) Milind Kolhatkar, or
 - (b) Maureen Connolly, or
 - (c) Naomi Mackenzie, or
 - (d) Brendan Fowler or
 - (e) Lynne Bell
- (each an “Authorised Signatory” and together the “Authorised Signatories”) be and are hereby authorised to agree the final terms of the Banking Documents, and any other document which they consider necessary or desirable in connection with the entry by Prospect into the Banking Documents with such amendments as they shall approve;
- 8.4. any Authorised Signatory be and hereby is authorised on behalf of Prospect to execute the Banking Documents and any other document which is required to be executed pursuant to any other Finance Document (as defined in the Restated Facilities Agreement) which is required to be executed, which documents shall be either sealed or witnessed as appropriate, and registered in the books of Prospect;
- 8.5. any Authorised Signatory be and hereby is authorised on behalf of Prospect to execute and deliver any other documents, notices, letters or other communications and to perform all matters, acts and things which such person in his/her absolute discretion deems to be necessary or desirable in connection with the Amendment and Restatement Agreement, the Restated Facilities Agreement or any other Finance Document (as defined in the Restated Facilities Agreement); and
- 8.6. in connection with any Loans (as defined in the Restated Facilities Agreement) to be made in connection with the Restated Facilities Agreement, any Authorised Signatory is hereby authorised to agree with the Lender the length of any interest periods and on the rate or rates of interest to be charged on Loans.
9. There being no further matters regarding the Banking Documents, the business of the meeting moved to the next agenda item.

15 Information Only Items

The following reports were noted:

- Annual Report on Committee Attendance & Training
- Six Monthly Review of Tenant Satisfaction Survey Action Plan

16 AOCB

There were no other items for discussion. Milind Kolhatkar thanked all for attending the meeting

17 Date of Next Meeting: 28 October 2020 at 19:00

Signed:

Date: