



CUNNINGHAME
HOUSING ASSOCIATION

More than just a landlord

Board of Management Minutes

Date of Meeting: 30th March 2023

Please note that these minutes have been edited to remove any information relating to personal/confidential/commercially sensitive or of a personal nature.

CUNNINGHAME HOUSING ASSOCIATION LTD

Minutes of Special Board of Management Meeting

Held on Thursday 30th March 2023 at 12.00 pm in the Association's Quayside Offices,
Marina Quay, Dock Road, Ardrossan KA22 8DA



Present	In Attendance
Lesley Keenan (Chair) Drew Hall Elizabeth Shedden Margaret Davison Brian McCabe John Nisbet John Kelly Cllr Stephen Canning EAC (MS Teams – joined at 12:10pm) Brenda Johnstone (MS Teams)	Linda Anderson, Acting CEO Jacqueline Cameron, Executive Director of Housing & Property Services Fettes McDonald, FMD Financial Consultant Kirsteen Wyllie, Minute Secretary

PRIORITY RED – SECTION 1 – STANDING ORDER ITEM AND GOVERNANCE ITEMS		ACTION
1.	<p>Apologies Apologies were received from Frank Sweeney, Janet Strang, June Fenelon, Willie Gibson, John McLaren, Councillor Eleanor Collier NAC. Liam Loudon remains on leave of absence until the end of March 2023.</p>	
2.	<p>Chairperson's Remarks</p> <p>1 The Chair welcomed everyone to the meeting and asked all Members to ensure that their mobile phones are switched off.</p> <p>2 As there were confidential items on the Agenda the Chair read out the following confidentiality statement:</p> <p>In compliance with the Regulatory Code of Governance and Board Members' Code of Conduct all items detailed in this notice as being confidential should not be discussed with any external party either prior to or after said meeting by any Member of the Board of Management.</p> <p>All members should note that when the Group CEO/Executive Directors/Officers are giving or presenting their report that there will be no interruptions to allow them to finish their reports. Questions can be asked after the presentation.</p> <p>3 Annual Risk Review Session The Chair advised members that the initial scoping meeting with Paul Hillard (DTP) is taking place on Thursday 6th April 2023 at 2pm. The Acting CEO, Chairperson, Audit Committee Chairperson and Executive Director of Housing & Property Services will attend the meeting. The meeting will confirm the scope of the brief, agree timescales, information requirements and key contacts to allow the development of a detailed plan. The ½ day annual risk review session with the Board of Management has been confirmed for Wednesday 10th May 2023 from 10 am - 1pm and calendar invites have been issued.</p>	

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2.	<p>4 Annual Leave Carried Forward – Item 20 Board of Management meeting 23rd March 2023 The Chair referred members of Item 20 Annual Leave Carried Forward of 23rd March 2023 Board meeting and confirmed that further clarification for employee number 1 has been received from HR.</p> <p>Following discussion, the Board of Management agreed to approve the payment of annual leave to Employee 1, however requested a review of the Association's processes with regard to annual leave being carried over more than one year.</p> <p>5 CHA Head Office Fire Drill with Board of Management The Acting CEO informed members that at the last health and safety meeting it was agreed a fire drill would be carried out while Board members were in the office. Members were informed that it would be appropriate to carry it out at one of the upcoming training sessions over the coming weeks.</p>	<p>HR/FIN</p> <p>H&S Manager / CEO</p>
3.	<p>Declaration of Interest None.</p>	
4.	<p>Requirement of the Writing (Scotland) Act 1995 None.</p>	

PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN		ACTION
	<p><i>**The Executive Director of Housing & Property Services joined the meeting**</i></p>	
5.	<p>Final Budget 2023/24 (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>Fettes McDonald, (FMD) referred members to the previously circulated report on the Annual Budget for 2023/24 and went over the detailed breakdown of the main financial assumptions and the expected financial outturns arising from these assumptions.</p> <p>Members were assured that there are no issues based on the projected figures with regard to loan covenant compliance.</p> <p>The Board of Management were assured that the Association remains in a secure financial position with sufficient liquidity and access to funds when required.</p> <p>The Board of Management noted there are no material concerns for 2023/24 however there are a number of ongoing matters that may/are likely to have implications for the longer-term financial outlook.</p> <p>Fettes McDonald advised members that updated long term projections shall be completed by May 2023 with a further update being prepared post completion of the annual accounts.</p>	

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PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN	ACTION
<p>5. The Board of Management unanimously agreed the final budget for 2023/2024.</p> <p style="text-align: center;"><i>Proposed: Drew Hall Seconded: Brian McCabe</i></p> <p><i>**The Executive Director of Housing & Property Services left the meeting**</i></p>	
<p>6. Development Project Write Offs (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Acting CEO referred members to the previously circulated report which provided an update on various projects where work is complete, and all avenues of funding have been exhausted. Since early last year the Development Sub Committee had been kept informed of the status of each project and efforts made to recoup funding.</p> <p>The Acting CEO presented each project individually, explaining in detail why the cost overruns have occurred, and work and efforts made by the Association to secure any further funding for the projects in question. Many factors have contributed to the cost overruns such as increases in material/building costs and lack of sufficient HAG funding.</p> <p>The Acting CEO and Financial Consultant assured members that all avenues to secure further funding had been covered and it is now recommended that the projects in question are written off. Members questioned as to how these write offs would be funded. The Financial Consultant informed members that the amounts provided had already been paid out however the Association now does not expect to recover the funds.</p> <p>Following discussion and consideration members unanimously approved to write off the following projects and amounts as detailed in line with the Scheme of Delegation and as set out in the Financial Regulations Policy CSF004.</p> <p style="text-align: center;"><i>Proposed: John Kelly Seconded: John Nisbet</i></p> <p>The Financial Consultant and Acting CEO informed members that following discussions that have taken place within the Development Sub Committee meetings it is intended/ important to hold a Special Board of Management meeting in the coming weeks to discuss the development projects/plan going forward.</p>	<p style="text-align: right;">FIN</p> <p style="text-align: right;">CEO</p>
<p>7. Change to Citrus Energy Intercompany Loan Interest Rate (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p><i>Information which is commercially sensitive has been withheld because disclosure would harm commercial interests.</i></p>	

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7.	<p>The Financial Consultant referred members to the previously circulated report which provided members with a proposal to increase the Citrus Energy intercompany loan agreement rate.</p> <p>The Board of Management noted the content of the report and unanimously approved to increase the interest rate from 1st April 2023 for the Citrus Energy intercompany loan.</p>	FIN
8.	<p>Covenant Amendments (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>The Financial Consultant Group Chief Executive referred members to the previously circulated report.</p> <p><i>Information which is commercially sensitive has been withheld because disclosure would harm commercial interests.</i></p> <p>Proposed Amendment Agreement between The Royal Bank of Scotland plc and the Association.</p> <ol style="list-style-type: none"> 1. It was reported that the meeting of the Board of Management of the Association had been duly convened and that a quorum was present. 2. The Chair advised the meeting that the Association's solicitors had been adjusting with the solicitors representing the Association's funders, The Royal Bank of Scotland plc (the "Bank"), the terms of an amendment agreement to be entered into between the Association and the Bank as agent for the Finance Parties for the purposes of and as defined in the facilities agreement originally dated 13 January 2011 as amended and restated by an agreement between the Borrower, the Bank (as arranger, lender and agent) and Prudential Trustee Company Limited as security trustee dated 26 June 2020 and as further amended by an agreement dated 20 December 2021 (the "Facilities Agreement"), which will make certain amendments to the provisions of the financial covenants in the Facilities Agreement (the "Amendment Agreement"). 3. The Chair advised that agreement had been reached between the Association and the Bank and purpose of the meeting was to consider the terms of the Amendment Agreement and all related documentation and, if thought fit, approve and authorise the execution, delivery and performance of the latest drafts of the following documentation: <ol style="list-style-type: none"> a. The Amendment Agreement; and b. an Officer's Certificate to be given by an authorised signatory of the Association; (together the "Documents"). 4. It was reported to the meeting that in accepting and signing or authenticating the Documents, the Association would not breach its rules or any existing contractual or statutory obligations and that the Association is fully 	

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<p>8. empowered to enter into the Amendment Agreement and to perform its obligations thereunder.</p> <p>5. It was resolved as follows:-</p> <ol style="list-style-type: none"> a. that the Association enter into the Documents; b. that the Association delegate authority to the Association's Chair, to negotiate, finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents and any other document which he/she considers necessary or desirable in connection with the Documents. c. that the Chair be and is hereby authorised to execute or authenticate the Documents on behalf of the Association and to execute or authenticate any other document which he/she considers necessary or desirable in connection with the Documents on behalf of the Association. d. that the Chair be and are hereby authorised to sign and/or authenticate and/or despatch all documents, certificates and notices to be signed and/or authenticate and/or despatched by the Association under, or any other document which he/she considers necessary or desirable in connection with, the Documents. e. that the execution or signing or authentication of any of the Documents or any other documents referred to in this paragraph 5 may be by electronic means including, without limitation, by DocuSign. <p>CERTIFIED A TRUE EXTRACT of the Resolutions of the Board of Management of Cunninghame Housing Association Limited, none of which have been rescinded, revoked, varied or amended in any way.</p> <p>..... Authentication/Signature</p> <p>.....Date</p> <p>LESLEY KEENAN.....Name (in block capitals)</p> <p>CHAIRPERSON..... Designation</p>	
<p>The Financial Consultant Group Chief Executive referred members to the previously circulated report.</p> <p><i>Information which is commercially sensitive has been withheld because disclosure would harm commercial interests.</i></p> <p>Supplementary Agreement in relation to existing Loan Agreement between Santander UK plc and the Association</p> <ol style="list-style-type: none"> 1. Lesley Keenan was appointed as Chair of the meeting. 2. It was reported that the meeting of the Board of Management of the Association had been duly convened and that a quorum was present. 	

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<p>8. 3. The Chair advised the meeting that the Association’s solicitors had been adjusting with the solicitors representing Santander UK plc (the “Bank”) the terms of a Supplementary Agreement (the “Agreement”) to be entered into between the Bank and the Association, relative to amendments to certain of the financial covenant provisions contained in the existing Loan Agreement between the Bank and the Association, which was originally executed on 20 January 2000, as the same has been amended and/or restated from time to time. The terms of the Agreement have now been finalised.</p> <p>3. There were produced to the meeting copies of:</p> <p>3.1 the final Agreement; and</p> <p>3.2 the form of certificate to be granted by an authorised officer of the Association in favour of the Bank, (together, the “Documents”).</p> <p>4. It was reported to the meeting that in accepting and signing the Agreement, the Association would not breach its rules or any existing contractual or statutory obligations and that the Association is fully empowered to enter into the Agreement, to perform its obligations thereunder and grant security.</p> <p>5. It was resolved as follows:-</p> <p>a. that the Association delegate authority to the Association’s Chair (the “Authorised Signatories”), to finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents.</p> <p>b. that the Chair be and is hereby authorised to execute the Documents on behalf of the Association and to execute any other documentation pursuant thereto on behalf of the Association.</p> <p>c. that the Chair be and is hereby authorised to sign and/or despatch all documents, certificates and notices to be signed and/or despatched by the Association under, or in connection with, the Documents</p> <p>d. that execution of any of the Documents or other documents may be by way of electronic authentication using DocuSign or a similar facility.</p> <p>CERTIFIED A TRUE EXTRACT of the Resolutions of the Board of Management of Cunninghame Housing Association Limited, none of which have been rescinded, revoked, varied or amended in any way.</p> <p>..... Signature Date LESLEY KEENAN.....Name (in block capitals) Chairperson</p>	
<p>The Financial Consultant Group Chief Executive referred members to the previously circulated report.</p> <p><i>Information which is commercially sensitive has been withheld because disclosure would harm commercial interests.</i></p>	

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<p>8. Proposed Amendment Agreement relative to Note Purchase Agreement dated 30 January 2019 among the Association, Canada Life Limited and The Canada Life Assurance Company (the “NPA”)</p> <ol style="list-style-type: none">1. It was reported that the meeting of the Board of Management of the Association had been duly convened and that a quorum was present.2. The Chair advised the meeting that the Association had been discussing with Canada Life Limited and The Canada Life Assurance Company as note purchasers pursuant to the NPA (together, the “Purchasers”) the possibility of amending the terms of the NPA in order to adjust the financial covenants set out therein. The proposed amendments had been agreed in principle, and the intention was that the Purchaser’s solicitors would adjust with the Association’s solicitors the terms of an amendment agreement which will make certain amendments to the provisions of the financial covenants in the NPA (the “Amendment Agreement”).3. The Chair advised that the purpose of the meeting was to approve and authorise the negotiation, finalisation, execution, delivery and performance of the following documentation:<ol style="list-style-type: none">a. The Amendment Agreement; andb. an Officer’s Certificate to be given by an authorised signatory of the Association; (together the “Documents”).4. It was reported to the meeting that in accepting and signing or authenticating the Documents, the Association would not breach its rules or any existing contractual or statutory obligations and that the Association is fully empowered to enter into the Amendment Agreement and to perform its obligations thereunder.5. It was resolved as follows:-<ol style="list-style-type: none">a. that the Association enter into the Documents;b. that the Association delegate authority to the Association’s Chair, Lesley Keenan (the “Chair”), to negotiate, finalise, approve and accept the whole terms and conditions of, and the transactions contemplated by, the Documents and any other document which she considers necessary or desirable in connection with the Documents.c. that the Chair be and is hereby authorised to execute or authenticate the Documents on behalf of the Association and to execute or authenticate any other document which she considers necessary or desirable in connection with the Documents on behalf of the Association.d. that the Chair be and is hereby authorised to sign and/or authenticate and/or despatch all documents, certificates and notices to be signed and/or authenticate and/or despatched by the Association under, or any other document which she considers necessary or desirable in connection with, the Documents.	

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	<p>e. that the execution or signing or authentication of any of the Documents or any other documents referred to in this paragraph 5 may be by electronic means including, without limitation, by DocuSign.</p> <p>CERTIFIED A TRUE EXTRACT of the Resolutions of the Board of Management of Cunninghame Housing Association Limited, none of which have been rescinded, revoked, varied or amended in any way.</p> <p>..... Authentication/Signature</p> <p>.....Date</p> <p>LESLEY KEENAN.....Name (in block capitals)</p> <p>CHAIRPERSON.....Designation</p>	

PRIORITY ORANGE - SECTION 3 - ITEMS TO BE TAKEN, TIME PERMITTING		ACTION
	None	

PRIORITY GREEN - SECTION 4 - ITEMS FOR INFORMATION ONLY		ACTION
	None	

The Meeting closed at 12:55 pm

	Signature	Date
Approved to Proceed to Chairperson for Sign-Off:		
Approved for Circulation By:		
Proposed By:		
Seconded by:		