

**Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 30 January 2025 at 6.00pm in the boardroom**



1. Present and apologies

Present

S McDonald MBE (Chair)	K McGinley	J Brannan
S Brannan	A Sproul	C Love
M Dabek	R Atkinson (co-optee)	

In attendance

P Baylis	C McCulloch	L Crawford
P Long (FMD)	S McIntyre (Quinn Internal audit)	

Minute taker

L Crawford

- 1.1 Apologies were received from T Bowie, J McFarlane, M Mellon, C Stewart (co-optee) and Frank John.

Noted

2. Declaration of interests

- 2.1 J Brannan and S Brannan declared an interest in Item 11.

Noted

3. Minutes of previous meetings

- 3.1 The minutes of the Management Committee meeting held on 5 December 2024 were proposed by K McGinley and seconded by S McDonald.

4. Matters arising from previous meeting

- 4.1 There was one matter arising, R Atkinson accepted their co-option into the Management Committee.

Following this item, we proceeded with Item 6.2, Item 7.1 and then Item 6.1. S McIntyre left the meeting at 18:07, P Long left the meeting at 18:40. We then returned to item 5.1 and continued with the tabled agenda as planned. In keeping with the prepared agenda these items are recorded under the relevant sections.

5. Governance report

5.1 Governance report – standing items

5.1.1 P Baylis presented the report, which contains governance standing items we report on every month. The following items were specifically discussed:

- There were no entries in the entitlements, payments and benefits register since the last Committee meeting.
- The notifiable event for the Director's recruitment was closed on 11 December 2024.
- We have no new engagement with the regulator, although they did contact us on 19 December looking for clarification following the submission of our annual assurance statement, which they did last year. We responded on the same day, and we have not heard anything further.
- There will be new ARC indicators for reporting in 2026, with recording starting on 1 April 2025. We do not foresee any issues with our ability to collect these.
- There have been no movements in relation to risk.
- There is training being run on 20 February by EVH about the new Employment Rights Bill, Committee should let Corporate Services know if they would like to attend.

Noted

6. Director's report

6.1 Draft Budget

6.1.1 P Long presented the budget with the assumption of rents being increased by 3.5%, which was approved at this meeting (Item 7.1). The total rental income, net of voids, will be £4.254 million.

6.1.2 P Long advised that we are working with a wage increase of 3%, although this percentage increase may change depending on the outcome of the pay negotiations being undertaken by EVH, at the time of the meeting no indication of increase have been shared.

6.1.3 The total turnover will amount to £5.029 million in the year. There will be an operating surplus of £802,200 in the year and a net surplus in the year of £839,200.

- 6.1.4 Expenditure on new components will amount to just over £684,300 in the year. Cash balances will increase by £525,700 in the year to £2.582 million at March 2026. Working capital at March 2026 will be £1.984 million.
- 6.1.5 P Long highlighted other key items of note that the creditors due after one year will be £435,000, the pension liability will be £257,000 and deferred income will be £15.009 million.
- 6.1.6 One member asked about the payment of £257,000 pension costs. P Long advised that this is not a cash item, but this is our share of the pension fund deficit.
- 6.1.7 The net assets of the Association at March 2026 will amount to £17.278 million and this will be matched by reserves.
- 6.1.8 P Long summarised that overall, the Association is in a healthy place financially and that Cernach is able to comply with covenants. P Long advised that the budget is still in draft form, and changes can be made.
- 6.1.9 One member asked about increased costs as a result of the storm on 24 January, P Baylis advised that these would be absorbed in the reactive maintenance budget.
- 6.1.20 P Long set out the budget assumptions on operating activities, then asked Committee to approve the draft budget for final review on 6 March.

Collectively approved

6.2 Internal audit report – Allocations

- 6.2.1 S McIntyre presented the internal audit report on allocations. Overall Cernach received substantial assurance from the audit, with only three 'priority 3' recommendations made, which is the lowest priority level. These are in relation to destroying out-of-date application forms, ensuring new tenant visits are carried out on alternative allocation types, and establishing a separate appeals process for allocation issues. All recommendations are accepted by the Management Team and work is underway to implement these.

Noted

6.3 Financial Regulation and Procedure update

- 6.3.1 P Baylis highlighted that the Financial Regulations and Financial Procedures are due to be updated to reflect the recent changes in the structure of Senior

Management team. We are proposing to bring forward their review and present them to the Management Committee at the meeting in March 2025 for consideration.

- 6.3.2 In the meantime, we are asking for Committee to approve that the Head of Corporate Services is given authorisation to undertake the duties currently undertaken by the defunct role of Depute Director from the former staff structure. Committee approved this.

6.4 Resident Satisfaction Survey 2024/25 update

- 6.4.1 The tender was advertised on Scottish Housing News in December 2024 and we received seven suppliers notes of interest. We have now appointed Knowledge Partnership to carry out this work on behalf of the Association. The survey work will involve face-to-face interviews with tenants and owners to gain their feedback into our services.

- 6.4.2 The survey period will run from Monday 17 February to Friday 7 March 2025. The surveyors will undertake surveys from 10am to 7:30pm on weekdays and from 11am to 6pm on weekends. They will give an overview of the feedback at the April meeting.

Noted

7. Operations report

7.1 Rent review- 2025/26

- 7.1.2 P Baylis outlined the report setting out our approach to the recent rent review which took place between 6 December- 11 January.

- 7.1.3 We consulted tenants on a 3.5% increase and received a total of 311 responses which is around a third of our tenant base and has been our most successful year to date.

- 7.1.4 One member asked when letters would be going out to let know tenants know what their rent would be for April 2025. P Baylis advised that we would be advising DWP tomorrow on the increase, and letters would be hand delivered next week.

- 7.1.5 The Committee approved the 3.5% rent increase.

7.2 Reactive maintenance framework update

7.2.1 P Baylis presented the paper highlighting the reactive maintenance framework contract which we have with Drumchapel Housing Co-operative and Pineview Housing Association. The DRUMCOG partners appointed Tom Atkinson Partnership (AP) to assist with the procurement of this contract.

7.2.2 The reactive maintenance framework is due for renewal from 1 May 2025, and we have adopted a one stage procurement approach. The contract will be for an initial period from 1 May 2025 to 31 March 2026, with the option to extend the contract, at the employer's discretion, on an annual basis to 31 March 2029.

7.2.3 P Baylis set out the minimum capability standards for contractors. P Baylis advised that we will continue to update Committee before the framework is finalised for starting in May 2025.

Noted

7.3 Bathroom procurement 2024-25

7.3.1 P Baylis outlined the report on the procurement of the bathroom replacements in 2024/25. We have discussed alternative approaches to procurement with our consultant, Reid's Associates, considering whether to advertise the bathroom project for one year and include an option for a potential year two.

7.3.2 Members agreed with this approach and to tender the bathroom contract.

8. Policy review

8.1 L Crawford presented the flexible working policy, which is based on the EVH model policy which was recently updated. The main changes are that employees can make a flexible working request from the first day of employment, whereas previously it was following six months service. Employees can also make two requests within a twelve-month period, rather than one. Committee collectively approved the policy

9. Sub-Committee minutes and recommendations

9.1 Operations sub-Committee

9.1.1 There are no minutes for noting nor any recommendations for Management Committee approval.

9.2 Assurance sub-Committee

- 9.2.1 There are no minutes for noting nor any recommendations for Management Committee approval.

Noted

10. Membership and use of seal

- 10.1 L Crawford presented the report, there were no requests for membership and no cancellations.

11. AOCB

- 11.1 L Crawford presented a request for donation from Antonine Primary School. The request was for any amount of money to provide leavers hoodies to those who would miss out due to cost. Committee agreed to donate £360 (the remainder of the donation budget).
- 11.2 L Crawford read a thank you card to the Committee that had been received from our previous Director, C Jardine.
- 11.3 P Baylis gave an update following the storm, advising that there are no outstanding safety concerns, and we were working through the repair requests.
- 11.4 P Baylis gave an update that the Operations Manager post was been filled by L Cuthbertson, the current Senior Housing Officer following a competitive process.
- 11.5 P Baylis provide a response to a matter raised at the previous Committee, to confirm for the garden competition we provided the winner with a £50 B&Q voucher and the second place a £30 B&Q voucher.

J Brannan and S Brannan left the meeting at 19:07

- 11.6 P Baylis asked the Committee to approve a leave of absence for S Brannan for 6 months. Committee approved this.



12. Date and time of next meeting

12.1 The next full Committee meeting is due to be held on **Thursday 6 March 2025** at 6.00pm.

Chair:

Date: