

Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 4 December 2025 at 6.00pm in the boardroom



1. Present and apologies

Present

S McDonald (Chair)	J Brannan	K McGinley
S Brannan	C Stewart	C Love
J McFarlane		

In attendance

P Baylis	E McShane	K Cowan
C McCulloch	L Crawford	R Hare
P Long (FMD)		

Minute taker

L Crawford

- 1.1 Apologies were received from M Dabek, S Da Silva Valente, A Sproul and T Bowie. F John is on special leave.
- 1.2 S McDonald introduced R Hare, new Corporate Services Assistant, to the Committee.

2. Declaration of interests

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

Noted

3. Minutes of previous meetings

- 3.1 The minutes of the Management Committee meeting held on 30 October 2025 were proposed by K McGinley seconded by J Brannan.

4. Matters arising from previous meeting

- 4.1 Item 6.1- K Cowan updated that G Robertson and C Paterson attended the consultation event hosted by Keep Moat Homes on their development plans. Their proposal is for 2,3 and 4 bed homes, for private sale, mid-market and social housing, with early indications they will be on site for several years. We will keep Committee up to date with any correspondence.
- 4.2 Item 6.2- K Cowan advised that C Brownlie took up her promoted post as Assistant Housing Officer on 10 November.

- 4.3 Item 6.3- P Baylis confirmed the pension questionnaire had been completed and returned.

5. Governance report

5.1 Risk Management Matrix- annual review

- 5.1.1 E McShane presented the mid-year review of the risk management matrix, reminding Committee how risks are calculated. We currently have one risk categorised as severe, which is related to costs of materials and goods.
- 5.1.2 E McShane talked Committee through the high risks and the changes since the last review was completed. We have looked to reduce the risk score regarding staff retention and attraction from “high” to “medium”. This is due to increased applications for vacant staff positions in recent months, therefore the likelihood of the risk materialising has reduced. We also propose moving the risk in relation to geopolitical unrest in Ukraine and Palestine from high to medium, as whilst the situation is dire, there has been no identifiable impact to the Association thus far outwith that which is already included in other risk categories.
- 5.1.3 Committee discussed office bearers and the risks around succession planning. One member volunteered to start looking at being an office bearer. Other members mentioned ad hoc conversations they have had to bring on new members to the Management Committee.
- 5.1.4 E McShane highlighted the introduction of three new risks to the register. Firstly, a new risk in relation to the care in the community properties. This risk is linked to the current voids within the unit as social work department continue to work with the care provider to identify tenants to fill two of the voids, however should long void periods continue this will result in a weakened financial position for this unit. Secondly, we propose to include a new risk linked to insurance. We suggest this as a low-level risk, as we don't have any concerns internally but costs across the sector have increased in recent years and it is considered best practice in the RSL sector to consider the risks attached given the costs of insurance. Finally, we suggest a third new risk, EPC reform, as there are changes to be introduced to include using a new EPC matrix and also consideration of what the EPC renewal period will be agreed. E McShane noted that adding the three new risks allows us to plan and track our mitigation actions. Following Committee discussion, all three additions were approved to the risk register.

- 5.1.5 E McShane also noted the removal of one risk, which is in relation to our IT service provider performance. Across the past three years as we have seen improvements in the working relationship and therefore we have successfully mitigated against the risks, therefore we recommend its removal from the register.

Collectively approved

5.2 Annual Internal Audit

- 5.2.1 E McShane proposed removing this annual update paper from the December workplan as we have moved to a rolling internal audit programme and present internal audit reports to the Management Committee as soon as practicable after completion throughout the year. This has been discussed and agreed with the Assurance Sub Committee at the meeting usually held in August and reported to the Management Committee in September. Committee agreed with this proposal.

Collectively approved

5.3 Governance report – standing items

- 5.3.1 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 into the entitlements, payments and benefits register since the last Committee meeting held in October.
 - Risks were captured in item 5.1
 - There are no open notifiable events.
 - The Regulator is not engaging with us, however our we have been asked some follow up questions in relation to our Annual Assurance statement and as part of their risk assessment they carry out and we have responded to these queries.
 - The Regulator has published a report on annual review of RSL's loan portfolios.
 - The next internal training will be on risk management and the role of audit, hosted by Alex Cameron in January 2026. The next DRUMCOG training will be on Governance in February 2026.

Noted

6. Director's report

6.1 Management accounts to 30 September 2025

- 6.1.1 P Long presented the Management Accounts to 30 September 2025, starting with the statement of comprehensive income, advising that the operating surplus for the period to 30 September 2025 was £538,200, which is higher

than the budgeted surplus of £405,000. This is mainly due to lower management and maintenance costs at this stage.

- 6.1.2 P Long took Committee through key areas of the budget, highlighting that rent is in line with predictions and void loss is lower than the budgeted. The Association's cash balance is £3.261 million and is higher than the budgeted amount of £2.367 million. This is mainly due to a higher opening balance, higher surplus and lower capital expenditure.
- 6.1.3 P Long covered pension liability, net assets and loans. P Long highlighted the programme on works of new components. P Long advised on budget variances around staff costs, void repairs, cyclical repairs and professional fees.
- 6.1.4 The forecast gross surplus is lower than the original budget, mainly due to higher maintenance costs. P Long concluded the report by confirming that the Association continues to comply with covenants.
- 6.1.5 Committee discussed interests' rates, loan periods and future pension liabilities. Members discussed predictions around what future interest rates may be and whether we may want to consider paying off some of the Association loans early to benefit from the current interest rate levels. P Baylis noted that this is something we can keep under review, and the Committee may wish to consider this during the year ahead. There was discussion whether we may want to consider the use of short-term deposit accounts as well. The Association has covenants with only one lender, the Bank of Scotland, and continues to comply with these. The forecasts to March 2026 indicate that this will also be the case at that time with a significant amount of headroom in each covenant.

Collectively approved

6.2 External auditor- name change

- 6.2.1 P Baylis advised that our external auditor, Alexander Sloan has changed their name TC Alexander Sloan Limited Group.

Noted

6.3 EVH pay award 2026/27

- 6.3.1 P Baylis presented the report, advising that the pay increase will be 5.1% in line with what was reported in March 2025 to Committee, as per EVH three year pay deal covering the period from April 2025 to March 2028.

Noted

6.4 Festive team building

- 6.4.1 P Baylis presented the options for the Committee and Staff team building event in January 2026. Committee discussed the options, leaning toward an activity. E McShane advised that we would look at availability for Jungle Rumble or Golf Fang as options. The Committee preference is for the event to take place on 6 February 2026 as this date enables the majority of Committee to attend the event.

Collectively approved

7. Operations report

7.1 Rent review 2026/27 – consultation option

- 7.1.1 K Cowan presented the report, outlining our position, consideration and approach for rents increasing from 1 April 2026.
- 7.1.2 K Cowan advised that last year Committee agreed a 3.5% rent increase for the financial year 2025/2026 following our consultation. K Cowan recapped on the increases for the last five years and the desire to keep rents as affordable as possible.
- 7.1.3 K Cowan relayed recent changes from the UK Autumn budget, and the impact these income related changes may have for our residents. There followed discussion by members on the possible impacts of these changes for different households. K Cowan updated Committee on the average rents across the Drumcog landlords and feedback from the Glasgow West of Scotland Forum (GWSF) survey, with 26 responses ranging from 4.8% to 7.8%.
- 7.1.4 K Cowan set out our discussions on consultation using either 3.8% and 4.8% which is September CPI and CPI + 1%, which we propose to consult throughout December and January.
- 7.1.5 Committee discussed the impact of the proposed rent increases. This included a recognition that tenants also have other household bills, which can have an impact on their ability to pay the rental obligations. Members discussed the cost of living continues to have impacts for tenants, as well as appreciating the increase to costs which are borne by the Association in providing these services to our customers. One member recapped that in recent years when setting rents, there was a recognition that we would keep rents low, at that time as we responded to Covid and periods of high inflation, but simultaneously Committee recognised that there would come a time when the Association would look at how to recover some of these costs to enable

the future viability of the Association and to meet our obligations of investment into the stock.

- 7.1.6 P Long explained the 30-year projections, potential impact of energy measures and what impact a 3.8% or 4.8% increase would have.
- 7.1.7 Committee concluded their discussion and collectively agreed to consult on 4.8% and 5.3% (CPI+1 and CPI+1.5) for the rent increase for 2026/2027.

Collectively approved

P Long and C McCulloch left the meeting at 19:36

7.2 Bathroom investment programme

- 7.2.1 K Cowan provided an update on the bathroom contract, which commenced in November 2025, with the plan to complete 95 bathrooms. Following initial surveys, 35 bathrooms have been omitted from the programme. This is due to tenants having either fitted their own bathroom or from recent remedial works completed by the Association. Given the reduced numbers, we proposed to bring forward 38 bathrooms, that are scheduled to be completed in the next phase. These works would ensure the contract is fulfilled. Members discussed how it is beneficial for tenants when we are in the position that we can pull forward these planned improvements works and complete upgrades ahead of our 30-year costed plans.

Collectively approved

7.3 Kitchen procurement 2025/26

- 7.3.1 K Cowan presented an update to Committee on the Association's previous intentions for the kitchen renewal programme for 2025/2026 at noted in September's meeting. Following discussions with Reid's Associates on the procurement approach, approval is sought from Committee to amend the approach to the kitchen procurement contract.
- 7.3.2 The recommendation is to combine the kitchen programmes for 2025/2026 and 2026/2027 for work to be undertaken during 2026/27. Also, as part of the recommendation to bring forward the kitchen phase which is currently profiled in 2027/28. This in effect means combining all three kitchen contracts so they are completed during the financial year 2026/27. K Cowan noted that by using this approach, we could create more interest from suppliers and provide competitive costings and in turn evidence value for money.

- 7.3.3 K Cowan advised that a further update will be provided at the next Management Committee meeting. Committee noted and agreed to the recommendation made.

Collectively approved

8. Policy review

8.1 Whistleblowing policy

- 8.1.1 L Crawford presented the Whistleblowing policy, highlighting that there had no substantive changes since the last iteration, and it was to be reviewed in line with our policy review schedule. Committee approved the policy.
- 8.1.2 L Crawford advised we will carry out Committee training on the revised Whistleblowing policy, alongside notifiable event training during Quarter 4.

8.2 Rewards and recognition policy

- 8.2.1 P Baylis presented the changes to the Rewards and Recognition Policy and the recent consultation with staff. Overall, there were changes to the gym membership offer we previously had with Glasgow Life, the introduction of the blue light card that can be purchased by staff for £4.99 and can lead to discounts with high street and online providers, as well as gym membership discounts. P Baylis also highlighted that we have fruit delivered to the office for staff, additional leave days for staff based on long service and the option for staff to use salary sacrifice.
- 8.3 Committee collectively approved the Whistleblowing policy and the Rewards and recognition policy.

Collectively approved

R Hare left the meeting at 19:50

9. Sub Committee minutes and recommendations

9.1 Operations Sub Committee

- 9.1.1 The minute of the meeting on 21 August 2025 was noted. The key feedback from the meeting on 13 November was that J McFarlane was elected as Chair. Other decisions were around increasing the tenancy sustainment budget which will be further discussed at the Association's strategy day, and three policies were approved; pets, abandoned tenancies and neighbourhood

disputes and anti-social behaviour.

Noted

9.2 Assurance Sub Committee

- 9.2.1 The minute of the meeting on 7 August 2025 was noted. The key feedback from the meeting on 20 November was J Brannan was elected as Chair. There were updates on the hybrid working pilot, assurance trackers and complaints. One area for recommendation to the Management Committee was to employ an additional Maintenance Officer from April 2026. P Baylis recapped from the Sub Committee meeting why additional resources within the Maintenance section are being recommended by the Assurance Sub Committee to the Management Committee. Committee discussed and collectively approved the Sub Committee recommendation.

Collectively approved

10. Membership and use of seal

- 10.1 There were no requests for membership, and the seal was not used. We currently have 101 members.

Noted

S Brannan and J Brannan left the meeting 19:53

11. AOCB

- 11.1 L Crawford presented two requests for donation, one from New Hope Community and another from Drumchapel Family Learning Centre. Committee agreed to give Drumchapel £200 requested for their breakfast with Santa event. Committee gave their remaining budget of £121 to the New Hope Community for their Christmas event.

S Brannan and J Brannan rejoined the meeting 19:56

- 11.2 L Crawford advised that Magnus Electrical had donated to the Drumchapel foodbank on behalf of the four Drumchapel HAs.
- 11.3 P Baylis advised that K Young officially graduated this week from her Housing Studies diploma undertaken at Glasgow University.

12. Date and time of next meeting

- 12.1 The next full Committee meeting is due to be held on **Thursday 29 January 2026** at 6.00pm.

Chair:

Date: