

**Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 5 December 2024 at 6.00pm in the boardroom**



Ag3

1. Present and apologies

Present

S McDonald MBE (Chair)	K McGinley	J Brannan
S Brannan	A Sproul	M Mellon
C Love	T Bowie	F John
C Stewart (co-optee)	J McFarlane (on Zoom)	

In attendance

C Jardine	P Baylis	E McShane
C McCulloch	L Crawford	P Long (FMD)
R Atkinson (observer)		

Minute taker

L Crawford

- 1.1 Apologies were received from M Dabek.

Noted

2. Declaration of interests

- 2.1 R Atkinson declared an interest in Item 4, P Baylis declared an interest in Item 6.3, E McShane declared an interest in Item 9.2 and F John declared an interest in Item 11.

Noted

3. Minutes of previous meetings

- 3.1 The minutes of the Management Committee meeting held on 31 October 2024 were proposed by K McGinley and seconded by M Mellon.
- 3.2 R Atkinson left the room 18:05 and C Jardine asked Committee to invite R Atkinson to be co-opted onto the Management Committee. The Management Committee approved this request.

R Atkinson rejoined the meeting 18:08

4. Matters arising from previous meeting

- 4.1 There was one matter arising, C Stewart accepted her co-option into the Management Committee.

5. Governance report

5.1 Risk Management Matrix – annual review

- 5.1.1 E McShane presented the report outlining that our matrix is reviewed annually in November/early December. The review looks at key risks facing the Association and outlines the actions we can take to either prevent them from happening or reduce the impact, if it were to materialise.
- 5.1.2 E McShane explained that we only have one risk that is set as severe, which relates to costs of services and works. This has been on our matrix for several years and there is nothing we can do to minimise the likelihood of this risk occurring, but we have eight actions to minimise the impact, namely robust financial planning and value for money control measures.
- 5.1.3 We have nine high risks, some of the risks are out with our control, such as the economic impact of Brexit, changes to welfare rights and geopolitical unrest.
- 5.1.4 E McShane concluded that we would look to remove the risk relating to the loss of the senior officer, as we have secured a new Director. Committee approved the matrix.

5.2 Governance report – standing items

- 5.2.1 C Jardine 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 is still ongoing. We are liaising with SHR, and we will go back to them with the approved minute from the meeting on 31 October 2024.
 - We are awaiting new guidance on the ARC which we expect to come in January 2025.
 - Risks were captured in item 5.1
 - The next Drumcog training is on the 20th January 2025 and there is SFHA training which has been shared on Whatsapp.

Noted

6. Director's report

6.1 Management Accounts to 30 September 2024

- 6.1.1 P Long presented the report advising that the operating surplus for the period to 30 September 2024 is £472,000 and is higher than the budgeted surplus of £330,000. This is mainly due to lower maintenance costs at this time of the year. Net interest receipts of £4,000 increase the net surplus to £476,000.
- 6.1.2 P Long advised that rents are in line with the budget and void loss is better than anticipated. The overheads are currently in amber due to the insurance costs, which have recently been reviewed. Consultants' fees are higher than expected due to property surveys.
- 6.1.3 The Association's cash balance is £2.939 million and is higher than the budgeted amount of £1.908 million. This is mainly due to a higher opening balance, higher surplus and lower capital expenditure to date.
- 6.1.4 P long concluded with a forecasted balance of £2.056 million compared to the original budget of £1.783 million at March 2025. The Association has covenants with only one lender, the Bank of Scotland, and continues to comply with these. The forecasts to March 2025 indicate that this will also be the case at that time with a significant amount of headroom in each covenant.

Collectively Approved

6.2 Internal audit report – Director recruitment

- 6.2.1 C Jardine presented the report which was produced by Quinns Internal Audit on the Director recruitment. The findings from the report that we received substantial assurance with no recommendations. The panel gave their feedback on participating in the audit and the recruitment process in general.

Noted

P Baylis left the meeting 18:30

6.3 Director recruitment- verbal update

- 6.3.1 C Jardine proposed that P Baylis' start date as the new Director's be brought forward to 16 December 2024. C Jardine explained that she has outstanding

TOIL and annual leave to be used before 17 January 2025. Committee were happy to approve this.

P Baylis rejoined the meeting on 18:34

7. Depute Director's report

- 7.1 P Baylis presented a tabled report, which was issued to members today. P Baylis explained this paper is an addition to the agenda and felt that a decision on this contract could be discussed at this point, rather than waiting until January's meeting for discussion.
- 7.1.2 P Baylis outlined the report which is an update to the planned window replacement contract. Walker Profiles have identified some potential additional work, advising that the front and rear doors of 27 properties may require additional works. There are windows units are close coupled to the existing doors in these properties. As a result, we are asking committee to decide on next steps.
- 7.1.3 P Baylis outlined the recommendations from Reid Associates: (i) replace the existing front and rear doors at the same time as the close coupled windows are being fitted, (ii) service the existing doors to be re-installed with the new close coupled windows (iii) omit the existing windows coupled to the existing doors from this contract.
- 7.1.4 One member shared that they had been asked by several tenants about blinds not fitting new windows. P Baylis advise this was always the case and staff have direct conversations with tenants before any window programme takes place. We are very mindful of these issues and appreciate this is a cost to tenants. We have our tenancy sustainment fund and could look to do provide a contribution towards these costs in the future.
- 7.1.5 One member asked about when windows were last replaced and had there been any feedback from tenants about the proposal so far. P Baylis said that people are very keen to have them done and were excited about this. P Baylis advised that we have not done any work to these properties, and they are part of the stock transfer in 2010.
- 7.1.6 Some Committee members requested that we should be more explicit that blinds may not fit, as we may lose the 'feel good' factor that tenants experience when getting new windows. P Baylis agreed with this and suggested that we would look to capture more feedback, to use going forward.

7.2 Rent review 2025/26- consultation options

- 7.2.1 P Baylis presented the rent review paper, advising that our rent increases are typically based on Consumer Price Index (CPI) in September which 1.7%.
- 7.2.2 P Baylis outlined that although inflation has reduced, our costs are increasing. We have also seen increases because of new measures relating to tenant health and safety.
- 7.2.3 P Baylis emphasised that affordability is always the key and outlined some comparisons with other local landlords, highlighting that our average rents are lower. Glasgow West of Scotland Forum have provided some sector analysis, advising that the average rent increase is likely to be 5.6%.
- 7.2.4 P Baylis outlined the impact of 1.7% and 2.7% increase on our budget and our 30-year financial plan.
- 7.2.5 One member asked about the 4pt rents and whether we should look to review. P Baylis explained that the 4apt rents include some new build properties, and a rent restructure would not be appropriate.
- 7.2.6 One member shared their assessment that over the last five years, we are around 10% down on the rent increase and it could be time to claw back. Others agreed and shared that we have been very generous over the last few years. Another member discussed the impact a big increase could have on rent arrears. P Baylis highlighted that our rent arrears are low and at end of September we were sitting at 1.75%, which will be amongst the lowest in the sector.
- 7.2.7 There followed some discussion by Committee reflecting the challenges of rent setting and on the pros and cons of the rent increase options of 3% or 3.5%.

C Love left the meeting 19:19

- 7.2.8 Following these discussions, P Baylis suggested that we could look to consult on one option and asked for feedback, as a one option has been an approach we have adopted in previous years. Committee discussed the proposals in detail and opted for a preferred 3.5% option, and this to be a standalone, so we would seek tenant feedback instead of offering options.

P Long left the meeting 19:32

7.3 Reactive maintenance framework update

7.3.1 P Baylis updated Committee that we continue to work with Drumchapel Housing Co-operative and Pineview Housing Association. We are awaiting information from the Tom Atkinson Partnership (TAP) on the procurement timetable and fees.

Noted

7.4 Gas Maintenance contract update

7.4.1 P Baylis presented the report, outlining that we have had an initial meeting with the four DRUMCOG partners in November 2024 to discuss the approach moving forward. We are again looking to use the services of Tom Atkinson Partnership to assist with the procurement of the contract. We are working towards having the new contract start on 1 June 2025.

Noted

8. Policy review

8.1 There are no policy for review this month.

9. Sub-Committee minutes and recommendations

9.1 Operations sub-Committee

9.1.1 The minute of the meeting on 8 August 2024 was noted. There were no recommendations for the meeting on 28 November 2024, but P Baylis updated Committee that J McFarlane is the Chair.

9.2 Assurance sub-Committee

9.2 The minute from the meeting on 7 August 2024 was noted. C Jardine updated Committee that J Brannan is the Chair. There was one recommendation from the special meeting on 21 November relating to flexible working, and that we would enter a pilot starting in April 2025 for one year.

Noted

E McShane and C McCulloch left the meeting 19:34

F John left the meeting at 19:37

9.2.1 There was one recommendation from the meeting on 14 November 2024 relating to changes to the Management team. The Assurance sub-Committee recommended moving the Corporate Services and Assurance Manager to a promoted post of Head of Corporate Services and introducing a new post of Operations Manager. If agreed, this Head of Corporate Services would start on 9 December and the operations post would be advertised on Wednesday 11 December. Committee approved the recommendation from the Assurance sub-Committee.

E McShane and C McCulloch rejoined the meeting 19:44

10. Membership and use of seal

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

11. AOCB

11.1 C Jardine advised that C Stewart would like to join the Operations sub-Committee and Assurance sub-Committee as an observer (due to currently serving as a co-opted Committee member). Committee agreed with this.

11.2 E McShane updated Committee that the staff and Committee festive team building evening would take place on Friday 17 January.

Noted

11.3 L Crawford presented two requests for donation. One was from G15 Thriving places, who asked for a £500 donation towards to cost of their family Winter Wonderland event on 14/15th December. The other request was from New Hope Community Foundation, who asked for £500 towards the cost of Christmas gifts to give out to those in need in the local community. Committee discussed both requests and agree to the £500 donation to G15 thriving places and declined request for the New Hope Community Foundation.

12. Date and time of next meeting

12.1 The next full Committee meeting is due to be held on **Thursday 30 January 2025** at 6.00pm.

Chair:

Date: