

**Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 19 September 2024 at 6.00pm in the boardroom**



Ag3

1. Present and apologies

Present

S McDonald (Chair)	K McGinley	J Brannan
S Brannan	A Sproul	M Dabek
C Love	T Bowie	
J McFarlane (on Zoom)		

Carole Stewart (observer)

In attendance

C Jardine	P Baylis	E McShane
K Dyson	C McLellan	L Crawford
P Long (FMD)		

Minute taker

L Crawford

- 1.1 Apologies were received from M Mellon, S Brannan and F John.

Noted

2. Declaration of interests

- 2.1 There were no declarations of interest.

Noted

3. Minutes of previous meetings

- 3.1 The minutes of the Management Committee meeting held on 15 August 2024 were proposed by K McGinley and seconded by J Brannan.
- 3.2 The minutes of the Management Committee meeting held after the AGM on 2 September 2024 were proposed by J Brannan and seconded by A Sproul.

4. Matters arising from previous meeting

- 4.1 There was one matter arising, item 7.1.3 regarding void indicators being removed from the QEF report. A recent consultation by the Regulator indicated that this will soon be collected again, so we aim to keep it in the report and hopeful have comparisons from other landlords too.

Following this item, we proceeded with Item 6. P Long and K Dyson left the meeting at 18:20. We then returned to Item 5, continuing the tabled agenda as planned. In keeping with the prepared agenda these items are recorded under the relevant sections.

5. Governance report

5.1 Committee Code of conduct and associated documents

5.1.1 L Crawford presented the paper advising that there had been no change to the signatories since last year.

5.1.2 L Crawford took Committee through the Declaration of Interest form that is signed every year by members, highlighting that Committee were signing to comply with the Association's Rules, specifically Rule 37.5 and Rule 43.

5.1.3 L Crawford took Committee through the Code of Conduct, which follows the SFHA model which was developed in 2021. L Crawford took Committee through the principles and ask that they signed both documents at the end of the meeting.

Noted

5.2 Annual Assurance Statement – update

5.2.1 E McShane presented the Association's work on the Annual Assurance Statement to date. E McShane Committee discussed the changes to the SFHA guidance tool kit this year.

5.2.2 The guidance primarily consists of key questions the Association should be asking itself and we answer each item and form these into a matrix for completion annually.

5.2.3 Our key areas of focus are tenant safety, tenant voice and equalities – all of which the regulator has highlighted as being critically important in recent years.

5.2.4 E McShane displayed the evidence bank in relation to tenant safety and collection of records we have that demonstrate how the Association meets its requirements.

5.2.5 One member asked about the process for assessing damp and mould in relation to the records on screen. Staff discussed our booklet that we produced

last year and explained the process for investigation by the maintenance team, as well as recording cases for follow-up actions.

- 5.2.6 E McShane advised that we would be completing a resident survey similar to last year and asked Committee what they thought about the proposed questions. Committee were happy with the survey and suggested that a question addressing our approach/tenant views on our approach to damp and mould could be added.

Noted

5.3 **Committee structure**

- 5.3.1 C Jardine presented the report, recapping on our current approach to sub-Committees and main Management Committee. We have recently reviewed how our Committee structure works to ensure we are getting the best out of the time we are at meetings. Since the AGM, there are fewer people who are able to participate in sub-Committees, therefore the Management Team have considered four alternative options that were set out in the paper. Overall, the favoured option was to combine to two sub-Committees and reduce the number of meetings.

- 5.3.2 Committee shared their concerns about combining the two sub-Committees and worried if they key discussions and businesses would be missed. Staff and Committee had a detailed discussion around the pros and cons of changes. Overall, Committee were keen to keep the two sub-Committees but look at reducing the frequency of meetings. C Jardine agreed to consider it further and table a further paper in October.

5.4 **Governance report – standing items**

- 5.4.1 C Jardine presented the report, which contains governance standing items we report on every month.

The following was specifically discussed:

- There was one entry on the entitlements, payments and benefits register since the last Committee meeting
- The notifiable event for the Director's appointment is still ongoing
- Drumcog training on treasury management will be held on 21 October 2024

6. Director's report

6.1 Management accounts to June 2024

6.1.1 P Long presented the reporting highlighting that the operating surplus for the period to 30 June 2024 was £211,000 and is higher than the budgeted surplus of £95,000. This is mainly due to lower maintenance costs at this stage.

6.1.2 Capital expenditure in the year-to-date amounts £15,000. The net cost of housing assets is now £32.5 million. The net cost of other fixed assets is £790,000.

6.1.3 P Long took Committee through the areas of spend, highlighting the amber areas.

6.1.4 P Long advised that the Association continues to comply with its covenants. The forecasts to March 2025 indicate that this will continue to be the case at that time with a significant amount of headroom in each covenant.

Collectively approved

7. Depute Director's report

7.1 Window procurement 2024/25

7.1.2 P Baylis presented the report noting the outcome of the recent procurement covering window replacements at 84 properties across four schemes.

7.1.3 Nine contractors responded within the timescale. Following the opening, quality/prices were checked. The quality was assessed by staff from Cernach and Reid Associates.

7.1.4 P Baylis outlined the budget and the cost savings concluding that that tender cost estimate equates was £539,801.64, and Walker Profiles bid is £552,808.80, a difference of £13,000. The current market conditions have demonstrated a marginally higher return than we had anticipated.

7.1.5 The recommendation is that we award the contract to Walker Profiles in the sum of £552,809, to include the mortgage to rent property and the replacement of balcony doors for properties within the programme. The Management Committee approved this.

Collectively approved

7.2 Boiler renewal procurement 2024/25

- 7.2.1 P Baylis outlined the boiler renewal work for 2024/25. We received five returns, which were assessed by staff from Cernach and Reid Associates.
- 7.2.2 The City Building tender was the lowest price offer and scored high in the quality assessment. Reids advised that the City Building bid has been calculated as the most economically advantageous tender, in terms of quality and price, therefore recommended that they be awarded the contract.
- 7.2.3 For these planned works we have a budget of £283,093 (inc. VAT & fees). We have combined the costs of consultancy fees of £4,610 and contractor costs of £299,926, this equates to £304,536. Whilst this exceeds the budget by £21,443, we consider this to be acceptable taking account of current market conditions and are asking Committee to approve this.

Collectively approved

7.3 Close Cleaning procurement 2024/25

- 7.3.1 P Baylis presented the paper, setting out our joint procurement with Drumchapel Housing Co-operative, which is currently out to tender. We are due to close the tender on 1 October 2024 and we anticipate that a recommendation will come to the Committee for approval on 31 October.

7.4 Rent review 2025/26- update

- 7.4.1 P Baylis presented the report, recapping our typical approach to the annual rent review exercise. Over the past two years with the increase of inflation, we had an additional Management Committee meeting in November; this was in response to a number of factors, but primarily because inflation had been running relatively high. However, given that inflation has now come down and the overall economic climate is becoming less volatile, P Baylis is proposing that we revert back to discussing consultation levels at our December meeting rather than having a stand-alone meeting. Committee approved this.

Collectively approved

7.5 Stock rebuild valuation

- 7.5.1 P Baylis advised that we are in the process of reviewing our insurance and, as part of this, we periodically carry out a stock rebuild valuation. We instructed the valuation this year and P Baylis presented the report, which had been undertaken by Nixon's following a tender exercise carried out by Howdens on the Association's behalf.

7.5.2 P Baylis reported the overall rebuild cost as being £244 million, which is an average cost per unit of £235,918. This rebuild valuation information will be fed into our insurance renewal to help ensure we are adequately insured.

7.5.3 Committee noted this report.

8. Policy review

8.1 Control of Legionella (new policy)

8.1.2. C McLellan presented our new policy. C McLellan explained that legionella information was previously contained in the repairs policy but, with the increased commitment to tenant safety, we decided to develop a stand-alone policy.

8.1.3 C McLellan took Committee through responses from our consultation on the policy.

8.1.4 C McLellan advised we still have 15 'live' tanks, which we are monitoring and cleaning. C McLellan highlighted there are challenges to removing tanks from mix tenure blocks.

8.1.5 Committee approved the new policy.

Collectively approved

8.2 Flexible working (postponement recommended)

8.2.1 C Jardine presented the paper and advised that we are recommending a delay to the policy review, which was due in September 2024. We are proposing a delay as we are still working on our approach to hybrid working and the UK Flexible Working Bill, which recently received Royal Assent, is soon to be introduced. It therefore makes sense to postpone the review therefore rather than update it now and again in a few months, we recommend postponement. Committee were happy to approve this approach.

8.2.2 In the meantime, however, we will embrace the main changes to be introduced in the Act, for example around there being no minimum time in post and being able to raise more than one request each year, in line with ACAS good practice guidelines.

Collectively approved

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.

Noted

C Stewart left the meeting – 19:37

10. Membership and use of seal

- 10.1 L Crawford presented the report and advised that there was one request for membership, which had been received in accordance with our rules. There have also been five cancellations due to death or non-attendance at the AGM. Committee noted the cancellations and approved the membership request.

11. AOCB

- 11.1 C Jardine explained to Committee the increasing workload in the area of ICT, adding that this has mainly fallen into the Corporate Services and Assurance Manager's workload. We are potentially reaching a tipping point where additional ICT resources will be required – for example, we are looking to migrate to SharePoint, introduce MS Teams across the organisation and the ability to have more up-to-date staff training – and all of this is accompanied by a general increase in the level of specialty that staff dealing with ICT now need. C Jardine therefore requested approval to explore the option of buying in services from another RSL.
- 11.2 One member asked about the level of cover we have from our current provider Brightridge. E McShane explained that much of the required support is outwith the scope of the service agreement; we could negotiate an add-on, but this would likely be prohibitively expensive. Another member asked about cyber security and whether this could be resourced under the new support. C Jardine advised that we are at the beginning of setting out what a service level agreement could cover and it is likely that cyber security would feature in this.
- 11.3 Committee approved the request to explore whether there are any RSLs who would have capacity to provide this service and, if so, Committee further agreed that staff could enter into a contract covering the period to the end of March 2025.



12. Date and time of next meeting

12.1 The next full Committee meeting is due to be held on **Thursday 31 October 2024** at 6.00pm.

Chair:

Date: