

**Cernach Housing Association  
Minute of Management Committee meeting held on  
Thursday 6 March 2025 at 6.00pm in the boardroom**



**1. Present and apologies**

**Present**

S McDonald MBE (Chair)	A Sproul
M Dabek	T Bowie
R Atkinson (co-optee)	C Stewart (co-optee)

**In attendance**

P Baylis, E McShane, L Cuthbertson, C Paterson and L Crawford.

P Long (FMD)            A Cameron (Quinn Internal audit)

**Minute taker**

L Crawford

- 1.1 Apologies were received from J Brannan, M Mellon, C Love, K McGinley, J McFarlane and S Brannan (special leave).
- 1.2 M Mellon has submitted a request for a leave of absence for 6 months. Committee approved this request.

**2. Declaration of interests**

- 2.1 All staff declared an interest in Item 6.8.

**Noted**

**3. Minutes of previous meetings**

- 3.1 The minutes of the Management Committee meeting held on 30 January 2025 were proposed by A Sproul and seconded by M Dabek.

**4. Matters arising from previous meeting**

- 4.1 There were no matters arising.

**5. Governance report**

**5.1 Committee Structure**

- 5.1.1 P Baylis presented the paper proposing a new meeting structure for our sub-Committee meetings. We had been considering the change to quarterly sub-

Committee meetings of both the Assurance and Operations sub-Committees with the option to have ad hoc meetings on staffing issues if required.

5.1.2 Committee gave feedback that they were happy with the new quarterly sub-Committee structure and were happy to approve this going forward.

## **5.2 Governance report – standing items**

5.2.1 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.
- We have no notifiable events currently.
- The Regulator is not engaging with us. We received a letter on 14 February requesting information on voids/empty homes. This letter was sent to all landlords, and we do not foresee any problems with providing the response by 14 March.
- There has been new guidance from SFHA on governing member succession planning and senior staff succession planning, which we are considering internally and will look to refresh our approach, if necessary.
- There have been no movements in relation to risk.
- There is no slippage on the action plans/trackers.
- The EVH annual conference takes place on 16-18 May 2025, members of the Management Committee to let Corporate Services know if they would like to attend.

**Noted**

## **6. Director's report**

### **6.1 Management Accounts to December 2024**

6.1.1 P Long presented the report, setting out that the operating surplus for the period to 30 December 2024 is £711,000 and is higher than the budgeted surplus of £469,000, which is a result of lower maintenance spend in cyclical and major repairs. Net interest receipts of £8,000 will increase the net surplus to £719,000.

6.1.2 The forecast net surplus to March 2025 is now £706,000 compared to the original budget of £682,000. Capital expenditure in the year to date is £172,000. The net cost of housing assets is now £31.952 million. The net cost of other fixed assets is £770,000.

- 6.1.3 The Association's cash balance is £2.944 million and is higher than the budgeted amount of £1.82 million. This is mainly due to a higher opening balance, higher surplus and lower capital expenditure to date. The aim is that some of the spend will be caught up in quarter 4.
- 6.1.4 P Long highlighted some of the variances in staff costs, consultant fees, overheads, cleaning and professional fees.
- 6.1.5 P Long concluded that the Association is able to comply with all covenants.
- 6.1.6 One committee member wanted to highlight the rent arrears levels and extended their thanks to staff for a good performance.

**Collectively approved**

## **6.2 Final budget 2025/26**

- 6.2.1 P Long presented the budget which has been finalised following discussion of the draft budget at the previous Committee meeting on 30 January and at the away day.
- 6.2.2 P Long advised some changes from the draft to include possible salary increase (currently ongoing EVH negotiations) and professionals fees for ICT services, as well as decreases in interest rates. Taking all this into account the final budget surplus has reduced by £16,800.
- 6.2.3 Projected turnover will remain unchanged at £5,029,500 and operating costs will increase by £20,300 to £4,247,600.
- 6.2.4 P Long confirmed that the Association would still be able to comply with all covenants.

**Collectively approved**

## **6.3 Going concern questionnaire**

- 6.3.1 P Long presented the report advising the auditors need to satisfy themselves that the Association is a *going concern*. This means that the auditors are, insofar as they can tell, that we are able to meet our financial obligations when they become due and there is no threat to our operating activities.
- 6.3.2 The Committee are asked to note and approve the questionnaire that has been completed and will be passed to the auditors as part of the briefing material for this year's annual audit.

**Collectively approved**

*P Long left the meeting 18:26*

#### **6.4 Internal audit - Complaints and Factoring**

- 6.4.1 A Quinn presented the outcome of our recent internal audits on Complaints and Factoring. The complaints audit received substantial assurance, and the factoring audit received high assurance.
- 6.4.2 A Quinn took Committee through his audit process and overall performance. A Quinn advised that the process and performance of complaints is effective and working well. A Quinn advised we could consider using SDM, rather than our bespoke Flow system, but there were no problems with our system. One member asked why A Quinn highlighted this. A Quinn advised that the system works well and whilst he prefers it, it is not widely used in the sector.
- 6.4.3 A Quinn presented the process for the factoring audit, which was conducted by S McIntyre (Quinns Internal audit). There was one, priority two recommendation which related to a formal review of the factoring management fee. E McShane advised that this has been on our radar, and L Cuthbertson had completed a desktop exercise, which did not highlight any major differences, and we intend to discuss with Committee during the year ahead.
- 6.4.5 There were also three, priority three recommendations made, which is the lowest priority level. These relate to adding a risk to our register for factoring, amend policies to correct an inconsistency between the repairs and maintenance policy and the factoring policy, and issue owners with an annual billing summary. All recommendations are accepted by the Management Team and work is underway to implement these.
- 6.4.6 E McShane concluded this report by advising Committee that they will soon be issued with a survey from Quinns regarding future audit topics and feedback will be used to set out our next audit programme.

**Noted**

*A Quinn left the meeting 18:46*

#### **6.5 Policy review schedule 2025/26- 2028-29**

- 6.5.1 P Baylis set out the policy schedule for the year ahead, noting some new inclusions, where we have decided to separate out our repairs policy to have specific policies on gas, EICR, and damp and mould.

**Collectively approved**

## **6.6 Schedule of meetings – 2025/26**

- 6.6.1 P Baylis set out our proposed meeting dates for the financial year ahead. Committee approved these dates.

## **6.7 Committee workplan – 2025/26**

- 6.7.1 P Baylis presented the workplan for the year ahead with what will be presented at each Management committee meeting. P Baylis advised that there may be things that come up in the year, but insofar as possible this will be the tabled agendas.

## **6.8 Pay award 2025/26**

- 6.8.1 P Baylis read out the cover paper for EVH's three year pay proposal.

*P Baylis, L Cuthbertson, C Paterson, E McShane and L Crawford left the meeting  
18:57*

- 6.8.2 S McDonald MBE presented the cover report and EVH ballot letter to the Committee regarding the staff pay award for 2025/26. Discussion took place on the proposal presented and the Committee decided to vote to accept the pay award and will instruct officers to advise EVH on their behalf.

*P Baylis, L Cuthbertson, C Paterson, E McShane and L Crawford re-entered at 19:05*

## **6.9 Bank Information update**

- 6.9.1 P Baylis updated the Committee on a recent review being undertaken by the bank on the information they hold for Cernach, which requires sharing some personal details of the Management Committee.

- 6.9.2 Committee were happy to provide their information to the bank.

## **6.10 Ratification of away day decisions**

- 6.10.1 E McShane recapped on the business strategy away day and sought to ratify key decisions discussed in relation to business planning for 2025/26, these were duly agreed. Also approved was signing up to the Dolly Parton Imagination Library programme.

6.10.2 L Cuthbertson recapped on proposals relating to payment methods – a branded payment gateway and the ability to send payment links to customers.

6.10.3 Committee approved these decisions as presented at the away day.

## **6.11 Management Committee team building event**

6.11.1 L Crawford presented the report and options for a team building event. Committee discussed the options and a suggestion for karting was given as another option. It was agreed to put options on the Whatsapp group for wider discussion with Management Committee members.

## **7. Operations report**

### **7.1 KPI's for 2025/26**

7.1.2 L Cuthbertson presented the report setting our performance to date on our existing KPIs which were explored in detail at the strategy away day on 21 February. As part of these discussions, we reviewed how we performed and set the targets for 2025/26.

7.1.3 Committee approved these targets being included in the strategic plan for 2025/26.

### **7.2 Reactive maintenance framework update**

7.2.1 L Cuthbertson recapped on the process of procuring the reactive maintenance framework. We received 27 returns, and a quality exercise was completed.

7.2.2 The Committee are being asked to note the report, approve the 27 contractors to be added to the RMF and give delegated authority to L Cuthbertson to add additional contractors to the RM framework at review stage. Any additions would be subject to passing a price/quality assessment as conducted by Tom Atkinson Partnership.

7.2.3 Committee approved the recommendations in this report.

### **7.3 Bathroom procurement 2024-25**

7.3.1 L Cuthbertson presented the report outlining our programme and budget to procure a bathroom replacement contract, with 40 properties across four schemes. We are seeking to procure the services of Reid Associates to take this forward.

7.3.2 Reid's have advised their fee to carry out the work would be £4,400 (excluding VAT) this has been reduced to reflect the work done last year when we didn't proceed with tender returns.

7.3.3 L Cuthbertson advised that this report is for noting and we will keep Committee updated.

#### **7.4 Operations sub-Committee workplan 2025/26**

7.4.1 L Cuthbertson presented the Operations sub-Committee workplan for 2025/26 setting out what reports Committee can expect to at each quarterly meeting.

### **8. Policy review**

8.1 E McShane presented the financial regulation and financial procedure policies which have recently been reviewed following a change to our staffing structure.

8.2 There were no substantive changes and generally relate to; the Association being no longer VAT registered and therefore not required to submit a return, removal of references to Covid, changes to threshold spend in relation to the revised senior staff structure, delegated authority to Head of Corporate Services when the Director is absent, and further detail on financial security and controls.

**Collectively approved**

### **9. Sub-Committee minutes and recommendations**

#### **9.1 Operations sub-Committee**

9.1.1 The minute of the meeting on 28 November 2024 was noted. There was one recommendation for the meeting on 27 February 2025 relating to the write off report. Committee were happy to approve the write off value of £7,534.60.

#### **9.2 Assurance sub-Committee**

9.2.1 The minute from the meeting on 7 November 2024 was noted. The minute of the special meeting on 21 November 2024 was noted. P Baylis noted that the Disciplinary and Complaints Policy was approved on 6 February 2025.

**Noted**

**10. Membership and use of seal**

10.1 L Crawford presented the report, there were three requests for membership and one cancellation. Committee approved the three requests and one cancellation.

**11. AOCB**

11.1 P Baylis advised that we have made an offer subject to references for the post of Senior Housing Officer after interviews were conducted this week.

11.2 P Baylis highlighted the International Women's Day march which leaves from St Andrew's church tomorrow morning.

11.3 C Paterson gave his thanks for having him at the Association and shared that he is motivated to build on the good work we do.

**12. Date and time of next meeting**

12.1 The next full Committee meeting is due to be held on **Thursday 10 April 2025** at 6.00pm.

Chair: .....

Date: .....