

**Cernach Housing Association
Minute of Management Committee meeting held on
Thursday 29 May 2025 at 6.00pm in the boardroom**



1. Present and apologies

Present

J McFarlane (Online)	J Brannan	F John
K McGinley	A Sproul	
R Atkinson (co-optee)	C Stewart (co-optee)	

In attendance

P Baylis, L Cuthbertson, E McShane, G Robertson, C McCulloch, L Crawford, P Long (FMD) and S Da Silva Valente (observer)

Minute taker

L Crawford

- 1.1 Apologies were received from T Bowie, C Love, S McDonald and M Dabek.
- 1.2 M Mellon and S Brannan are on special leave.
- 1.3 As the Chair and Vice Chair were not in attendance, J Brannan was volunteered as Chair, which was collectively approved by the members.

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 10 April 2025 were proposed by K McGinley seconded by C Stewart.

4. Matters arising from previous meeting

- 4.1 Item 7.1.2 - L Cuthbertson responded to a query on planned boiler replacements, confirming that we have reviewed the component register and the heating renewals at Kells Place are due in 2029.
- 4.2 Item 7.2.3- L Cuthbertson responded to a question following the tenant satisfaction survey presentation by Knowledge Partnership. One member asked if feedback on improving our communications related to the Association or our contractors. L Cuthbertson confirmed two comments related to Cernach and six were about our contractors.

*Following this item, we proceeded with Item 6.1, Item 6.2 and Item 6.5.
P Long left the meeting at 18:37. 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 Risk management Matrix – mid-year review

5.1.1 E McShane presented the risk matrix review, which was last examined in December. E McShane highlighted the key risks, mainly the costs of services and materials.

5.1.2 E McShane advised of new item on the register relating to our factoring services, which was identified in the recent factoring audit. This is about capturing the potential risk on the register rather than any specific presenting issue.

Noted

5.2 Governance report – standing items

5.2.1 E McShane 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.
- We have no notifiable events currently.
- The Regulator is currently not engaging with us.
- The Regulator wrote to us in May regarding flammable cladding, which was received by all landlords, and we do not foresee any challenges in responding to this.
- There is no slippage on the action plans/trackers.
- There are several conferences taking place in the next three months, GWSF, TPAS and Share. Committee members should contact Corporate Services if they are interested in attending.

Noted

6. Director's report

6.1 Management Accounts to March 2025

- 6.1.1 P Long presented a summary of the accounts to March 2025. There are additional transactions relating to 2024/25 financial year that are still to be included and then a final set of audited financial statements will be presented to the Management Committee for approval prior to the AGM.
- 6.1.2 The operating surplus to 31 March 2025 was £1.013 million and is higher than the budgeted surplus of £659,000, mainly as a result of lower maintenance costs at this time. The net surplus is £1.013 million.
- 6.1.3 The forecast net surplus to March 2025 is now £930,000 compared to the original budget of £682,000.
- 6.1.4 P long confirmed that all our covenants are being met.
- 6.1.5 P Long took Committee through income and expenditure sheets, highlighting the positive improvement in rent arrears in 2025.
- 6.1.6 P Long highlighted the underspend in the ground maintenance contract due to the timing of invoicing, which had been provided in April 2025 and will be reconciled.

Collectively approved

6.2 Five- year financial projections

- 6.2.1 P Long presented the report for submission to the Scottish Housing Regulator by 31 May 2025.
- 6.2.2 The return is in a prescribed format; P Long took Committee through the seven pages of the return highlighting the loan portfolio, statement of cash and financial position over the next 5 years.
- 6.2.3 P Long concluded by explaining the assumptions used to create the projections, highlighting that we are yet to know costs associated with decarbonisation. P Long summarised that the return indicated a financially healthy organisation.
- 6.2.4 One member asked whether we would pay our loans off quicker due to the low value. P Long advised that this was assessed recently,

concluding that loans would be paid off in line with repayments. P Baylis advised we will continue to monitor this.

Collectively approved

6.3 Committee appraisals

6.3.1 L Crawford presented the reporting outlining our proposed approach to Committee appraisals, which will be conducted by SHARE. L Crawford took Committee through the proposed timetable and process.

Collectively approved

6.4 Finance Services update

6.4.1 P Baylis presented the report updating the Committee on the process of procuring our finance services. We are using Quinn Internal Audit to support this process, and returns are due by Friday 13 June 2025. We will provide an update at June's Management Committee meeting and aim to have a contract in place by 1 July 2025.

Noted

6.5 Pension deficit payments

6.5.1 P Baylis presented the report on pension deficit payments, recapping on the recent changes. P Baylis explained that Cernach moved to the defined contribution (DC) scheme in 2013, however we still have deficit recovery payments to make to the defined benefit (DB) scheme.

6.5.2 The most recent DB valuation was undertaken in September 2024 and we are awaiting the full results. SHAPS wrote to us on 12 May 2025 advising that they anticipate the expected valuation results for the funding level will have fallen from 98% at the last valuation (at 30 September 2021) to 89% at this valuation, with a deficit of £79.5 million.

6.5.3 P Baylis advised that there is no action at this time, but that there will be an update once the evaluation is provided and the ongoing court case is concluded, however its likely employers will be making payments from April 2026.

Noted

7. Operations report

7.1 Annual return on the Charter (ARC)- 2024/25

7.1.2 L Cuthbertson presented a report on our Annual Return of the Charter, highlighting our key performance indicators.

7.1.3 L Cuthbertson gave a demonstration of our ARC recording, dashboards and evidence we use to get the information. L Cuthbertson specifically highlighted write offs, reactive repairs and voids.

7.1.4 Members commented on the usefulness of seeing the background ARC information and asked for a similar demonstration on the Assurance Statement for new members, which E McShane agreed to incorporate.

Collectively approved

E McShane left the meeting 18:57

7.2 Bathroom procurement 2024-25

7.2.1 L Cuthbertson presented the report updating members on the progress of the bathroom replacement tender. We received nine responses by the closing date.

7.2.2 We used Reid's Associates for support with the tender; the quality was assessed by a three-person panel comprising staff from Cernach HA and Reid Associates. City Gate Construction Ltd has been calculated as best value; therefore, we are looking for approval to award them the contract.

7.2.3 As part of the tender we requested that rates be considered for Year 2 bathrooms. Following the completion of Year 1, we will assess these again and provide a report to Committee for approval.

Collectively approved

7.3 Gas maintenance contract update

7.3.1 L Cuthbertson presented the report updating on Druncog partnership meeting with City Building on 16 April. L Cuthbertson asked Committee to approve the proposed uplift in 2025-26 and award the contract.

Collectively approved

7.4 Asset Management Strategy update

7.4.1 L Cuthbertson presented a report proposing to bring the Asset Management Plan to the meeting on 14 August 2025. Within the Committee workplan it was planned that a review would be undertaken and presented by 26 June 2025, however due to changes within the Management Team and other work priorities, we are proposing to continue the review and provide a report to the Management Committee meeting in August 2025.

Collectively approved

8. Policy review

8.1 There are no policy reviews due this month.

9. Sub-Committee minutes and recommendations

9.1 Operations sub-Committee

9.1.1 The minute of the meeting on 27 February 2025 was noted. There were no recommendations from the meeting on 15 May 2025.

9.2 Assurance sub-Committee

9.2.1 The minute of the meeting on 6 February 2025 was noted. There were no recommendations from the meeting on 8 May 2025.

Noted

10. Membership and use of seal

10.1 There were no requests for membership and the seal had not been used.

Noted

S Da Silva Valente left the meeting – 19:16

11. AOCB

11.1 P Baylis advised that S Da Silva Valente would like to join the Management Committee. Members were delighted with this and approved the request.

11.2 L Crawford presented two donation requests, one from Cloan Nursey asking for £300 for their graduation ceremony and Langfaulds Primary school request £250 for the end of term family day. Committee agreed to provide the requested amounts.



11.3 L Crawford reminded Committee of the team building event tomorrow (30 May).

11.4 P Baylis advised that there would finance training by P Long at 5:30 on 26 June 2025.

11.5. One member asked about tabling a discussion at the next meeting regarding sub-Committee membership to help with the planning for the AGM. P Baylis agreed to this.

12. Date and time of next meeting

12.1 The next full Committee meeting is due to be held on **Thursday 26 June 2025** at 6.00pm.

Chair:

Date: