



6.	Reports Requiring Decision/Approval/Discussion	Lead	Due By
	<p><b>6.1 Draft Annual Accounts 2024/25</b></p> <p>The Chair asked SS (Findlays Audit Limited) to present the Draft Annual Accounts (2024/25) for the Board to approve.</p> <p>SS opened their presentation by reminding the Board that the auditor is tasked with reviewing the accounts and the back-up schedules to ensure that they are not materially mis-stated.</p> <p>SS confirmed that the audit report is clean and unqualified. All queries from the auditor were answered and they were provided with evidence to qualify all the figures within the accounts.</p> <p>SS covered the main points and drew the Board's attention to the main statements within the accounts.</p> <p>Firstly, regarding the Statement of Comprehensive Income, SS confirmed that total income increased by 2% or £60k in the financial year. This figure constitutes an increase in rental income of 4.65% or £126k, which is essentially the rent increase for 2024/25. SS reported that this rental income increase was offset by a reduction in other income of just under £70k relating to a reduction in grants received compared to the previous year.</p> <p>SS reported that overall operating costs have increased by approximately £200k in the year. There has been a reduction of £67k in other operating costs (matched against the reduction in other income). Higher maintenance and repair costs of £180k and increased management costs of £100k were slightly offset by a reduction in service costs leading to the £260k increase in operating expenditure on affordable letting activities. All costs were in line with budget.</p> <p>Board were asked to note additional points in the Statement of Comprehensive Income including:</p> <ul style="list-style-type: none"> <li>• Bank interest received has slightly increased due to higher average deposit balances;</li> <li>• Bank interest paid has reduced as loans are repaid and interest rates reduce;</li> <li>• The movement in the pension scheme, which has occurred mainly due to a change of assumptions by TPT which the Co-operative has no control over and fluctuate annually.</li> </ul> <p>SS presented the Statement of Financial Position, SS highlighted to the Board that this statement shows the "worth" of the Cooperative at the year end. SS highlighted that housing property and office asset values have decreased, due to depreciation charged being higher than the value of component replacements carried out within the stock in the year.</p> <p>SS took this opportunity to remind the Board that current assets are things which are liquid enough to become cash within one year. SS highlighted that the main change in current assets was that cash had increased by approximately £500k.</p> <p>It was noted that the other item that has changed significantly is deferred income, which has reduced by just under £366k in the year.</p>		

Finally, SS highlighted the cashflow statement, showing the flow of cash in and out of the Co-operative. It was noted approximately £900k of cash was generated from operations. From this figure, £320k had been spent on improving properties and £190k on loan repayments., £90k was received in bank interest and therefore collectively, these figures show that £500k of cash had been generated in the year.

SS advised the Board that all in all the Co-operative had produced a strong set of accounts for 2024/25 with total net assets having increased from £7,310,029 in the previous year to £8,047,025.

### **Management Letter**

SS presented the Management Letter to Board which details key risks, system testing and findings of the auditor. To allow this assessment to be carried out an interim review of procedures where risks are assessed was carried out, and internal processes audited to allow the audit to be planned to focus on these, as included in the pre-audit planning memo. SS confirmed that he was satisfied that sufficient evidence was supplied to the auditors.

SS highlighted to Board that there was a small unadjusted difference relating to holiday pay which was of an immaterial amount. SS advised Board that this was a very technical point that was raised through their own audit with ICAS.

SS confirmed that there are no other concerns or weaknesses to report in the document.

### **Letter of Representation**

SS subsequently highlighted general points to note in the Letter of Representation, including:

- There are general items detailed in points 1-5, highlighting what the Board are responsible for, such as the maintenance of accounting records etc
- Points 6-8 note that Board is responsible for designing and implementing systems to aid the detection of fraud.
- Points 9-12 note that assets and liabilities are owned by the Co-operative and are correctly stated.
- The additional points confirm that there are no material matters which are required to be brought to the auditor's attention.

SS closed his presentation by asking if there were any questions. Board thanked SS for his presentation of accounts and Management Letter and had no questions as the accounts had been explained clearly. SS then thanked the Board for their attention, and the staff at the Co-operative for welcoming and assisting the auditor's team and providing quality information to the auditors.

### **Response to Management Letter**

JMcG invited Board to confirm they were happy with the response to the Management Letter which stated that the Board was pleased to note that no material matters arose during the audit that the auditors wished to bring to members' attention and accordingly an unqualified audit report was issued with no significant weaknesses identified.

<p>Board agreed the response to the Management Letter.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><b>SS concluded his presentation and departed the meeting at 6.20pm.</b></p> <p><u>Decision Made:</u></p> <ul style="list-style-type: none"> <li>• Board approved Financial Statements for 2024/25</li> <li>• Board approved the Letter of Representation from the Auditor, Findlays Audit Limited and the response to the Management Letter.</li> </ul> <p>Arrangements were made for signing of the aforementioned documents</p>	JMCG	-
<p><b>6.2 Board Appraisal Report</b></p> <p>The Chair asked PBr to present the report.</p> <p>PBr advised Board that the purpose of the report was to update the Board on the outcomes of the annual Board Appraisals process for 2025, and how that supports effective governance at DHCL.</p> <p>He confirmed that both the Board induction and appraisal process was now firmly embedded in the culture at DHCL and confirmed that all experienced Board members continued to operate effectively in their respective roles individually and collectively. PBr advised that Board members seeking re-election after nine years' continuous service demonstrated continued effectiveness.</p> <p>He went through the key elements of the report in detail including:</p> <ul style="list-style-type: none"> <li>• Continuous development and Board effectiveness</li> <li>• Supporting the Board through effective appraisal</li> <li>• Personal development plans and Board training and development plan</li> <li>• Succession planning</li> <li>• Training and development</li> </ul> <p>PBr advised that the Board is well-placed for succession planning as one member had expressed an interest in becoming the Chair in future while others had said that they would consider roles as office bearers.</p> <p>PBr highlighted that having discussed the potential benefits of Personal Development Plans with individual members, the consensus of opinion is that members would prefer to agree their training needs at the annual appraisal meeting, then simply choose the relevant training that is available from a range of sources including, for example, Scottish Federation of Housing Association, SHARE, Employers in Voluntary Housing, and independent consultants.</p> <p>Some minor areas for improvement within training and development were highlighted but with the appointment of the new Corporate &amp; Governance Officer these will be easily addressed.</p> <p>PBr concluded by thanking the Board for their cooperation during the appraisal process and iterating that there are no areas for concern.</p>		

<p>PBr referenced the Director's appraisal process advising it was now complete.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><b>PBr departed the meeting at 6.35 pm.</b></p> <p><u>Decision Made:</u></p> <ul style="list-style-type: none"> <li>The Board noted the update.</li> </ul>	PBr	-
<p><b>6.3 Risk Management Matrix – annual review</b></p> <p>The Chair asked PB to present the report.</p> <p>PB highlighted to Board that the risk register is reviewed twice a year, mid yearly and annually. The report detailed the annual review of the register. Board was advised that the risk working group which is made up of staff and Board members met to review the current risk register and the report details the recommendations from the working group.</p> <p>The working group discussed Risk E8, Aging Housing Stock and proposed the following mitigations to be added to the risk register:</p> <ul style="list-style-type: none"> <li>Secure best value for money</li> <li>Planned Maintenance</li> <li>Older stock cladding &amp; insulation</li> <li>Stock condition surveys</li> <li>Building foundation surveys</li> <li>Structural integrity</li> </ul> <p>Members were advised that the Co-operative's stock does not have external cladding but a small number of properties have some stained horizontal timber boarding which are being assessed by ACS. The outcome of the assessment will be presented to members on completion.</p> <p>Members were also advised that the working group also recommended adding the following mitigation to Risk O8, Tenant Satisfaction and Engagement</p> <ul style="list-style-type: none"> <li>All members are DHCL tenants</li> </ul> <p>It was also noted that at the annual review of the risk register allows for items to be added onto or items to be removed from the register. Members were asked to note that there have been no additions or removals this year.</p> <p>The Board was asked if they had any comments or questions regarding the risk register; no queries or comments were raised.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><u>Decision Made:</u></p> <ul style="list-style-type: none"> <li>The Board members approved the Annual Review of the Risk Register</li> </ul>	PB	-

<p><b>6.4 Arrangements for the Annual General Meeting (AGM)</b> The Chair asked PB to present the report.</p> <p>PB presented the report on this year's Annual General Meeting (AGM) arrangements to be held in the Co-operative's office using the hybrid model on Thursday 28 August 2025 at 6pm</p> <p>PB advised that in line with Rule 33.1, one third of the elected Board are required to stand down <u>in addition to</u> any co-optees and anyone who has filled a casual vacancy. Since there are thirteen elected Board members in total, the four longest serving members (Rule 33.2) plus any co-optees and those filling a casual vacancy are required to retire (Rule 33.3).</p> <p>PB listed the eight members that were the longest serving members having been elected/re-elected in 2023. AK, FMcL, JF and HE confirmed that they were willing to stand down and be re-elected as required.</p> <p>There are no casual vacancies or co-opted members to consider this year.</p> <p>In line with Rule 31.6, the Board must be satisfied that any member standing for re-election who has been a Board member for nine or more consecutive years must demonstrate ongoing objectivity and effective challenge, i.e., that they would continue to be an effective Board member. HE was identified as meeting this criteria.</p> <p>As part of the annual board appraisal carried out by PBr, the Board were satisfied that HE demonstrated ongoing objectivity and will continue to be effective as a Board member.</p> <p>Board also noted that the external auditor is appointed annually at the AGM. Due to the satisfactory performance of Findlays Audit Limited, the external auditor who was appointed for a three-year period in 2023, it was proposed that the Board approve the resolution to be presented to the members at the Annual General Meeting (AGM) to re-appoint Findlays Audit Limited (previously Findlay &amp; Co CA) as the Co-operative's external auditors.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><b>Decision Made:</b></p> <ul style="list-style-type: none"> <li>• The Board approved the Arrangements for the Annual General Meeting (AGM).</li> <li>• Board agreed the four members to stand down as per rule 33.1</li> <li>• Board agreed to recommend the re-appointment of current external auditors, Findlays Audit Limited, at 2025 AGM.</li> </ul>	PB	-
<p><b>6.5 Financial Management Services Report</b> The Chair asked PB to present this report.</p> <p>It was previously noted by the Board, the current contract with the financial management services agent, FMD Financial Services Limited (FMD), was due to end on 30 June 2025.</p>		

<p>A joint procurement exercise was carried out with Cernach Housing Association via Public Contracts Scotland with the Co-operative seeking to award a contract for the provision of Financial Management Services for a period of three years with the opportunity to extend the contract up to two further periods of one year each.</p> <p>Although twelve notes of interest were received only one bid was received from FMD.</p> <p>PB advised FMD scores fell into the excellent category in the quality assessment and Board could take some comfort in that FMD had provided finance agent services to the Co-operative for the last nine years consistently providing a professional service.</p> <p>Due to current market conditions and the lack of financial agents submitting tenders members were asked to consider accepting the tender from FMD due to the service provided being business critical to both organisations</p> <p>Board noted that the previous financial services shared service arrangement with Cernach had now ended and that both organisations would enter into separate contracts with the successful bidder.</p> <p>Advice was sought from Morton Fraser MacRoberts LL regarding the change of financial agent for the Co-operative and raising this as a Notifiable Event with the Scottish Housing Regulator, it was agreed to discuss with the Co-operative's Regulation Manager.</p> <p>PB will contact Regulation Manager for advice.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><u>Decision Made:</u></p> <ul style="list-style-type: none"> <li>The Board approved awarding the contract to FMD Financial Services Limited.</li> </ul>	PB	-
<p><b>6.6 OSCR Report - Changes to Charity Law</b></p> <p>The Chair asked JMCG to present the report.</p> <p>JMCG outlined and discussed with Board changes to Charities (Regulation &amp; Administration) (Scotland) Act 2023, specifically:</p> <ul style="list-style-type: none"> <li>Providing trustee details to OSCR and the publication of trustee names</li> <li>Publication of all charity accounts</li> <li>Automatic disqualification (from 31 August 2025)</li> </ul> <p>JMCG advised that the annual declarations of interest form for Board members will be updated to reflect the criteria for automatic disqualification in due course.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><u>Decision Made:</u></p>		

<ul style="list-style-type: none"><li>The Board noted the update</li></ul>		JMCG	-
<p><b>6.7 Full Stock Reinstatement Cost Valuation Report</b></p> <p>The Chair asked JMCG to present the report.</p> <p>JMCG provided the Board with the outcome of the Insurance Reinstatement Survey exercise carried out by Shepherd Chartered Surveyors detailing the methodology employed to reach the revaluation survey outcome.</p> <p>Board was advised that there was a significant increase in rebuild valuation costs with housing stock rebuild costs for insurance having increased by just under £47m which included VAT. Due to the significant increase staff met with Shepherd Chartered Surveyors and raised their concerns in relation to the unexpected high levels of insurance rebuild values for some properties.</p> <p>Accordingly, a sample of each property type was reassessed in-house by Shepherd with a different building or quantity surveyor based on the information collected. Shepherd’s acknowledged that insurance valuation figures are in some cases higher than would be indicated by the online BCIS Service however, their surveys were based on recent accurate assessments of construction costs in the Scottish marketplace and gives the Co-operative a robust protection against any under insured scenario in the unlikely event of any serious structural event.</p> <p>Board were advised that since exposures had increased by 45% an additional insurance premium was due and that our insurance brokers Howden had negotiated with our insurance providers a reduction in the renewal rate from 0.0628% to 0.0522% resulting in an additional premium of just under £14k inclusive of vat.</p> <p>The Board were asked if they had any questions or comments.</p> <p>The Chair highlighted the substantial increase in the insurance premium.</p> <p>JMCG advised that the final rebuild valuation costs included all costs such as demolition, clearance, professional services etc and VAT.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><b>Decisions Made:</b></p> <ul style="list-style-type: none"><li>Board noted the outcome of the Reinstatement Valuation surveys and approved the additional insurance costs of just under £14k which are not included in budget.</li></ul>		JMCG	-
7.	Housing & Maintenance Report	Lead	Due By



<p><b>7.1 Tenant Satisfaction Survey</b> The Chair asked CM to present the report.</p> <p>CM advised the Board that the Co-operative carries out a Tenant Satisfaction Survey every three years.</p> <p>CM confirmed that Research Resource were selected after a joint procurement exercise with Pineview Housing Association and will be on site early July 2025.</p> <p>CM advised Board of the attachment to the report which listed the survey questions which are directly linked to the Annual Return of the Charter and highlighted the inclusion of questions in relation to damp and mould.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><u>Decisions Made:</u></p> <ul style="list-style-type: none"> <li>Board noted the update on the Tenant Satisfaction Survey including its content and its distribution methods.</li> </ul>	MMcC	
<p><b>7.2 Key Performance Indicators 2025/2026</b> The Chair asked CM to present the report</p> <p>CM presented the key performance indicators for discussion with the Board</p> <p>CM reported that there had been adjustments made regarding several targets from the previous year. In particular, number of void days had been increased to 12 days from 10 days previously and the corresponding rental income lost adjusted accordingly increasing from 0.20% in the previous year to 0.25%. CM advised the Board that turnaround times had slightly increased due to factors out with the Co-operative's control e.g. time it takes utility companies to reset meters and this was the reason for the increase in the performance targets. Board noted that the Scottish re-let timeframe average is 50 days; therefore the Co-operative's new target is still well below the Scottish average.</p> <p>It was iterated that targets needed to be achievable as ensuring that contractors are available to provide services in a given timeframe has been more of a challenge in current times.</p> <p>CM asked Board members if they had any questions or comments. No queries were asked.</p> <p>CM sought approval of the key performance indicators 2025/2026 report.</p> <p>Board confirmed all matters noted and no additional queries to raise.</p> <p><u>Decisions Made:</u></p> <ul style="list-style-type: none"> <li>Board approved the Key Performance Indicators for 2025/2026.</li> </ul>	Staff	-

<b>8.</b>	<b>Policy Review</b>	<b>Lead</b>	<b>Due By</b>
There were no policies for review this month.		-	-
<b>9.</b>	<b>Governance</b>	<b>Lead</b>	<b>Due By</b>
<b>9.1 Membership Report</b>			
The Chair asked CM to present matters for decision on the Membership Report.			
CM Advised there are 29 prospective members for approval and three SHARE certificates to be approved and signed by the Office bearers			
Board confirmed all matters noted and no additional queries to raise.			
<b>CM departed the meeting at 6.55 pm.</b>			
<u>Decisions Made:</u>			
<ul style="list-style-type: none"> <li>Approved prospective members and Share Certificates for signing</li> <li>Office Bearers to sign Share Certificates after the meeting</li> </ul>		AMcD	1 July 2025
<b>9.2 Ethical conduct and notifiable events</b>			
Please refer to confidential minute.		-	-
<b>10.</b>	<b>Audit, Risk &amp; Staffing Sub-Committee Meeting</b>	<b>Lead</b>	<b>Due By</b>
There are no meetings to report this month.		-	-
<b>11.</b>	<b>Housing &amp; Maintenance Sub-Committee Meeting</b>	<b>Lead</b>	<b>Due By</b>
There are no meetings to report this month.		-	-
<b>12.</b>	<b>A.O.C.B</b>		
The Chair invited any other business to be presented at the meeting.			
The Director advised Board that the Co-operative received from the Chair of Pineview Housing Association an invitation to join a Chair and Office Bearers network as part of Drumcog to meet informally and discuss and share best practice.			
The Director asked if any Board members would be interested in taking part. The Board unanimously confirmed that they would be interested in participating.			
PB advised the Board of the Dolly Parton Library initiative for which members of Drumcog can register. PB highlighted that if the Co-operative were to join and children of tenants of the Co-operative within the age criteria were to partake it would cost approximately £2,700 per annum.			
The Director sought opinions from Board members regarding being part of this initiative.			
EK noted that knowledge is power, and JF acknowledged that children may have the technology to access reading material online, but that this initiative would allow authentic access to physical reading material.			
The Board asked whether online material would also be accessible as part of this initiative; PB responded that it would be physical reading material.			
Board agreed to the Co-operative joining the initiative and approved the costs of approximately £2,700 per annum.			

PB advised that the Co-operative had been approached as part of Drumcog to participate in providing a housing surgery to be held at G15 pantry. Board was advised that housing staff would be on hand on a rota basis with other Drumcog organisations to provide generic housing advice.

Board thought this would be beneficial to the tenants of Drumchapel and agreed for housing staff to attend.

Board confirmed all matters noted and no additional queries to raise.

#### Decisions Made:

- Board agreed to join the Chairs & Office Bearer network and asked PB to contact the Chair of Pineview Housing Association to advise.
- Board approved joining Dolly Parton Initiative at a cost of approximately £2.7k
- Board approved housing staff to participate in the housing Surgeries at G15 pantry on a rota basis with Drumcog.

#### **13. Date of the Next Meeting**

The Chair thanked everyone for their attendance and input.

There being no other business, the Chair closed the meeting at 7.10pm

The date of the next meeting is Tuesday 5<sup>th</sup> August 2025 at 6.00pm at Drumchapel Housing Co-operative Office and via Zoom.

**Chair.....Date.....**