

Report To:	Management Board Meeting
Agenda Item:	3. Minute of Management Board Meeting of 27 May 2025 held in Drumchapel Housing Co-operative Office
Date Issued:	24 June 2025
Meeting Date:	1 July 2025 at 6.00pm

1. Sederunt				
P = In Person, T = On Zoom				
Present Due: David O'Hara (D'OH) Joan McFarlane (JMcF) Helen Eakin (HE) Alex Kerr (AK) Elspeth Kerr (EK) Pauline McNaught (PMcK) David Riddell (DR) Josephine Barnshaw (JB) Karen McKenna (KMck) Jean Forbes (JF)	P P P P P P P P P P P	Apologies: Frances McLean (FMcL) Vincent Ogar (VO) Graeme MacIntosh (GMcl) Dvid Ampofo, FMD Financial Services (DA) Absent: Leave of Absence:	In Attendance Due: Pauline Burke, Director (PB) Jacqueline McGoran (JMCG) Joanne Johnson, Finance Officer (JJ) Observers Due:	P P

2.	Declarations of Interest
The Chair reminded Board and staff to declare interests as appropriate and reminded of confidentiality and collective responsibility.	
No Declarations of interest were received.	

3.	Minutes of Previous Meeting(s)	Lead	Due By
Minute of the Management Board Meeting of 22 April 2025 The Chair asked everyone in the room if they had read the minutes of the last meeting and if there were any requests for corrections. The Board noted no corrections and confirmed the approval of the minutes. Proposer: JB Seconder: EK Chair or approving meeting to sign minute: DO'H		JJ	-
4.	Meeting Action List 2025/26	Lead	Due By
Board noted and approved the action list report as an aid to ensure all actions required are considered and complete. EK had requested information regarding the number of employers in SHAPS pension due to the update from The Pensions Trust Employer Committee (EC) on the projected deficit. PB advised that it had been confirmed by The Pensions Trust that there were 146 employers in the scheme.		ALL	-
5.	Matters Arising	Lead	Due By

The Chair asked if there were any matters arising from the previous meeting.				
Board confirmed no matters arising.			ALL	-
6.	Reports Requiring Decision/Approval/Discussion		Lead	Due By
6.1 Treasury Management Report 31 March 2025				
The Chair asked JMCG to present the report.				
<p>JMCG presented the annual Treasury Management Report (at 31 March 2025) which details treasury management operations including the stock secured against outstanding loans, details of movement in outstanding loans during the year, potential future borrowing and management of cash available for higher interest investment.</p> <p>Twenty-nine units are provided as security with Nationwide with an EUV-SH valuation of just over £1.63M. Total loan debt at 31.03.2025 is £1.165M and comprises of three loans one fixed/two Sonia compound. There is around £474k of excess security in place as of 31 March 2025.</p> <p>There are 451 units unsecured to any lender with an approximate EUV-SH of £16.2M. JMCG pointed out that free security could potentially support additional borrowings of up to £15.2M but that were no plans that currently require additional borrowings. JMCG advised Board that this does not mean that the Co-operative could afford mortgage repayments on the additional amounts but that there is available capacity in housing stock for security.</p> <p>Cash balances were budgeted to be £2.8M by year end (actual-£3M) and are projected to be just over £3.1M at 31.03. 2026. The current updated long-term projections indicate a positive cash position over the short to medium term. Average cash balances in the first five years are around £3.6M. In the following five years cash balances steadily increase to a figure of £5M with the fixed rate loan being repaid in full.</p> <p>The Co-operative has £1.77M deposited in high interest-bearing accounts. In 2024/25 interest earned was £89k.</p> <p>There are no loan covenant issues expected at any point based on the long-term projections which cannot be remedied by adjusting the timing of planned maintenance</p> <p>The Co-operative's strategy over the next 12 months will continue to be under pinned by risk averseness. The current fixed to variable loan mix will continue. Instant cash is just below the average 6 months operating expenditure of £973k in the first half of the year and remains above it after summer. The Co-operative will continue to maintain instant cash around this level whilst taking advantage of opportunities to invest at more favourable rates and meeting the component replacement programme.</p> <p>Board confirmed all matters noted and no queries to raise.</p>				
<u>Decision Made:</u>				
Board approved the Treasury Management Report 31 March 2025.			JMCG	-

<p>6.2 Scottish Housing Regulator Loan Portfolios Return The Chair asked JMCG to present the report.</p> <p>JMCG presented to the Management Board the details of the Co-operative's draft loan portfolio return for 2025 that is required to be submitted to the Scottish Housing Regulator (SHR) by 30 June 2025.</p> <p>DR entered the meeting at 6.10pm</p> <p>Board confirmed all matters noted and no queries to raise.</p> <p><u>Decision Made:</u> The Board approved the submission of the loan portfolio annual return to SHR</p>	DA	30.06.25
<p>6.3 Management Accounts to 31 March 2025 The Chair asked JMCG to present the report.</p> <p>JMCG presented the management accounts to 31 March 2025 highlighting the main variances between actual and budgeted spend.</p> <p>The surplus for the year was £736,997 against the budgeted surplus of £464,138. This provided a favourable variance of £272,859. JMCG gave an overview of the main income and expenditure variances contributing to the favourable variance.</p> <p>Board noted the disclosure of the accounting position movement for the pension defined benefit scheme as per FRS102 (Section 28) has resulted in an actuarial gain of £43k.</p> <p>Board was advised that that tangible net assets have decreased by £343.4k due to the depreciation charge exceeding the fixed asset additions.</p> <p>It was highlighted that cash balances had increased over the period by just over £506k with cash balances totalling just over £3M. Currently just over £1.77m is on deposit with a further £300k having been approved to be deposited on a 1-year fixed rate saver with RBS.</p> <p>Equity had increased over the year to just over £8M the main factor being the surplus generated for the year to 31 March 2025.</p> <p>The Co-operative's KPIs are broadly in line with what was expected so there were no adverse issues.</p> <p>The Co-operative has met its interest cover and asset cover targets as set out in its loan covenant documentation.</p> <p>Board confirmed all matters noted and no queries to raise.</p> <p><u>Decision Made:</u></p>		

The Board members approved the Management accounts to 31.03.2025 with EK thanking JMCG for the comprehensive explanation of the Management Accounts.	JMCG	-
6.4 External Audit Impairment Statement The Chair asked PB to present the report. PB provided the Board with details of the Impairment Statement as part of the External Audit highlighting that there were no indicators of impairment. Board confirmed all matters noted and no queries to raise. <u>Decision Made:</u> The Board approved the External Audit Impairment Statement.	PB	-
6.5 Equality & Human Rights Report & Update The Chair asked PB to present the report. PB updated the Board with details of the Equality & Human Rights working group. The working group last met on 22 April 2025 to review the action plan for 2025/26. Board members noted the Action Plan already had an action of recruiting members aged 16-34 onto the Board. The working group suggested, if interest is shown, consider co-opting household members to the Management Board. Members also noted in terms of the Rule 31.3 of the co-operative Rules a person must be aged 18 or over to become a Board Member. EK asked if the policy could be changed to recruit members under 18 years of age. It was noted; the age was determined by the constitutional Rules of the Co-operative based on Scottish Federation of Housing Associations Model Rules 2020 and not an internal policy of the Co-operative. Members agreed a review of the Rules was not necessary. Members noted the collection of tenant data is circa 68% and circa 53% for housing applicants and examples of where services were tailored to meet the needs of individuals. Board confirmed all matters noted and no queries to raise. <u>Decision Made:</u> <ul style="list-style-type: none"> Board approved the Equality & Human Rights Action Plan 	PB	-
6.6 SHAPS (Pension) DB Accounting Disclosure & Update The Chair asked JMCG to present the report. JMCG presented the final details of the Co-operative's defined benefit (DB) accounting disclosures for the period ending 31 March 2025. Board noted the Co-operative's pension scheme deficit was £272k (31 March 2024 Deficit of £300k) as shown in the Statement of Financial Position. Actuarial movements (between reporting dates) in the Scheme Assets and Scheme Liabilities are taken to Other Comprehensive Income annually and for 2024/25 this was a gain of £43k.		

Board was advised that SHAPS Employer Committee (EC) had provided a further update to advise employers of the expected 2024 valuation results which were broadly in line with what EC had expected:

- The funding level has fallen from 98% at the last valuation (at 30 September 2021) to 89% at this valuation, with a Scheme level funding deficit of £79.5m
- In respect of the deficit repayment terms, both committees support the introduction of deficit contributions from 1 April 2026. Employers, in total, will pay £15.6m per year from 1 April 2026. This will increase each 1 April by 3%. Deficit contributions will be payable for four years, ending on 31 March 2030.
- As the Scheme Benefit Review (court case) outcome is awaited, the committees have agreed that a conditional commitment will be given to extend the payment of deficit contributions, should the outcome result in additional liabilities

The Co-operative has included a prudent provision for SHAPS Net Pension Liability of average annual deficit contributions of approximately £136.5k from Years 2 to 5 in the five-year financial projects.

Board noted that TPT had produced a note for employers and their auditors on the approach being taken on the Scheme Benefit Review for the March 2025 year end accounting disclosures and had provided example wording.

EK asked if there would be a situation where no further deficit payments would be required. JMCG advised that there would always be potential for deficit payments as long as there were members in scheme.

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

Decisions Made:

The Board noted the contents of the report and confirmed they would like a note to be added to the accounts to reflect scheme benefit review and asked that FMD Financial Services liaise with Findlays (external auditor) to agree wording.

DA

31.05.2025

7. Housing & Maintenance Report

Lead

Due By

7.1 Annual Return on the Charter (ARC) 2024-25 and Stock Information to Scottish Housing Regulator (SHR)

The Chair asked JMCG to present the report.

JMCG presented the Board with the report, highlighting performance in various areas and comments for each section of the return. Overall, performance was much in line with previous years with some minor movements.

Board was advised that the independent tenant satisfaction survey carried out by Research Resource in July 2022 had been used for the various satisfaction survey questions in the return. Board noted that an independent tenant satisfaction survey will be carried out in Summer 2025 the results of which will inform next year's ARC tenant satisfaction questions.

Board noted that SHR were not collecting indicators around Energy Efficiency Scottish Social Housing (ESSH) but that ESSH milestones still apply. JMCG advised Board of the comments included at the end of the "Housing quality and

<p>maintenance” section on Tenant Safety confirming there are no areas of non-compliance.</p> <p>JMCG also presented the annual stock profile return, there are no changes to the Co-operative’s stock from previous year and the average weekly rent across the stock profile is £98.65.</p> <p>Board confirmed all matters noted and had no additional queries to raise.</p> <p><u>Decisions Made:</u></p> <ul style="list-style-type: none"> Board Approved the Annual Return JMCG was approved to submit the ARC return and Stock Profile Annual Return 2024-25 to SHR following Board Approval. 		JMCG	31.05.2025
8.	Policy Review	Lead	Due By
There were no policies for review this month.		-	-
9. Governance		Lead	Due By
<p>9.1 Membership Report</p> <p>The Chair asked PB to present matters for decision.</p> <p>PB advised there are 34 Prospective Members for approval and 4 Share Certificates to be approved and signed by Office Bearers.</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"> Approved prospective members and Share Certificates for signing. Office Bearers to sign Share Certificates after the meeting. 		JJ	-
<p>9.2 Ethical conduct and notifiable events</p> <p>The Chair asked PB to present matters for discussion/update.</p> <p>PB advised there were no Notifiable Events to report.</p> <p><u>Decisions Made:</u></p> <ul style="list-style-type: none"> Board noted the update. 		PB	-
10.	Audit, Risk & Staffing Sub-Committee Meeting	Lead	Due By
<p>10.1 – Minutes of Audit, Risk & Staffing sub-Committee meeting on the 13 February 2025.</p> <p>The Chair presented the minute to the Board for approval.</p> <p>10.2 – Recommendations from the Audit, Risk & Staffing sub-Committee meeting on the 8 May 2025.</p> <p>PB asked the Board to consider the two recommendations as detailed within the report, namely the approval of Internal Audit Plan 2025/26 and the Human Resource Policies as noted within the 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"> Approved the minute of the Audit, Risk & Staffing sub-Committee meeting on 13 February 2025. Approved Internal Audit Plan 2025/26 and the Human Resource Policies as noted within the report. 		PB	-
		PB	-
11.	Housing & Maintenance Sub-Committee Meeting	Lead	Due By
11.1 – Minutes of Housing & Maintenance sub-Committee meeting 11 February 2025 The Chair presented the minute to the Board for approval.			
11.2 – Recommendations from the Housing & Maintenance sub-Committee meeting on 11 February 2025 The Chair asked PB to present the paper for approval. PB asked the Board to consider and approve the recommendations from the Housing & Maintenance sub-Committee meeting on 15 May 2025, namely an extension of the Electrical Inspection Testing Programme contract to 31 March 2026 with a view that procurement for the new contract will take place in early 2026 as detailed in the report. Board confirmed all matters noted and no additional queries to raise.			
<u>Decisions Made:</u>			
<ul style="list-style-type: none"> Approved the minute of the Housing & Maintenance sub-Committee meeting on 11 February 2025. 		PB	-
<ul style="list-style-type: none"> Approved the recommendation of extending Extension of Electrical Inspection and Testing Programme 2025-26 to 31 March 2026. 		PB	-
12.	A.O.C.B		
12.1 Procurement of Gas Maintenance Services The Chair asked PB to present the paper for approval. PB presented the report on procurement of the Drumcog Gas Maintenance Services for 2025/2029. via Scotland Excel Framework. PB explained the background to the gas contract position; the most recent tender; the involvement of Scotland Excel; City Building negotiations and cost proposals. Meeting discussed previous tender process and TUPE, and legal advice at time. Noted cost increase just under 29%, which is more than the 15% increase budgeted for. Board discussed and whilst unhappy, recognised there was little alternative option at this stage. Board confirmed all matters noted and no additional queries to raise.			
<u>Decisions Made:</u>			
<ul style="list-style-type: none"> Board approved the award of Drumcog Gas Maintenance Contract – delegated authority to Director to take forward, with approval of contact on a year-to-year renewal. Legal advice to be sought during year one on how matter could be resolved and board kept updated. 			
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 7.25pm.

The date of the next meeting is Tuesday 1 July 2025 at 6.00pm at Drumchapel Housing Co-operative Office and via Zoom.

Chair.....Date.....