Report To:	Management Board Meeting
Agenda Item:	Ag3. Minute of Management Board Meeting of 30 June 2026 held in Drumchapel Housing Co-operative Office
Date Issued:	28 July 2026
Meeting Date:	04 August 2026 at 6.00pm

1.	**Sederunt**			
P = In Person, Z = On Zoom				
Present Due: David O'Hara (DO'H) Josie Barnshaw (JB) Alex Kerr (AK) Pauline McNaught (PMcN) Joan McFarlane (JMcF) Helen Eakin (HE) Tanith Diggory (TD)	 P P P P P P P P P	**Apologies:** Vincent Ogar (VO) Graeme MacIntosh (GMcI) Karen McKenna (KmcK) Jean Forbes (JF) Elspeth Kerr (EK) Frances McLean (FMcL) Thandiwe Malikha (TM) Pauline Burke, Director (PB) **Absent:** David Riddell (DR) **Leave of Absence:**	**In Attendance Due:** Jaqueline McGoran, Finance & Corporate Services Manager (JMcG) Fiona Koroma, Corporate & Governance Officer (FK) Sandy Squires, Findlays Audit Ltd (SS) Pat Bradley, HR Consultant (PBr) Gillian Houston, North Star Consulting (GH) Freya Lees, North Star Consulting (FL) **Observers Due:**	 P P P P Z Z
The meeting started at 6.00pm.				
All papers issued in advance of meeting, by email and post, unless detailed in minute.				
The Chair welcomed everyone to the meeting.				

2.	**Declarations of Interest**
The Chair reminded Board and staff to declare interests as appropriate and reminded of confidentiality and collective responsibility. There were no declarations of interest noted.	

3.	**Minutes of Previous Meeting(s)**	**Lead**	**Due By**
Minute of the Management Board Meeting of 26 May 2026 The Chair asked everyone 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: JMcF Seconder: DO'H Chair of approving meeting to sign minute: JB		FK	04.08.26

4. Meeting Action List 2026/27	Lead	Due By
JMcG provided updates from the meeting action list, Action Point 006 – Loan Portfolio return submitted to the regulator 10.06.2026. Action Point 007 – ARC and Stock Profile submitted 28.05.2026 and Action Point 008 donation of £200 to G15 Thriving Places paid. Decision Made: Board approved the meeting action list 2026/2027	SMT	4.08.26

5. Matters Arising	Lead	Due By
The Chair asked if there were any matters arising. There were no matters arising		

6. Director's Report	Lead	Due By
6.1 Draft Annual Accounts to 31 March 2026 The Chair asked SS (Findlays Audit Ltd) to present the Draft Annual Accounts for the year to 31 March 2026 for Board to approve. SS confirmed that the external audit went well and that the audit report is clean and unqualified. SS covered the main points and brought the Board's attention to the main statements within the accounts. Firstly, regarding the Statement of Comprehensive Income, SS confirmed that total income increased by 3% to £2.94m which is attributable to the 25/26 rent increase. Operating costs are up approximately 10% to £2.33m. Main increases are the management costs which are up by £180k. A large portion of this is salaries which have increased significantly due to EVH annual salary increases, one extra person, agency staff costs, all compounded by the increase in employers NI contributions. SS advised that repair costs and depreciation are very similar to the previous year. For the second year in a row there is a positive impact of pension values. 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. Overall, the Co-operative recorded a surplus of £690k in the year, which is similar to the previous year, and a very positive out-turn. In terms of the Statement of Financial Position, housing stock value has reduced on by approximately £300k. This is made up of spend on the housing units of £380k (component replacements), and depreciation charges of £675k. Cash has increased by £500k to £3.55m and loans have reduced to just over £1.033m. The pension liability has reduced by £45k to £227k. Overall the net value of the SOFP is sitting at just over £8.7m.		

In regard to the cashflow statement, almost £1m was generated from operations, essentially rent less operating costs (excluding depreciation). After this approximately £400k was spent on replacing components in the housing stock, £180k on loan repayments and interest, and there is £87k of interest received on bank deposits. SS noted that the interest received is actually quite good compared to other organisations. Net effect leaves an increase in cash of around £500k.
SS concluded all in all a very good set of results for the Co-operative with a clean audit report and no issues to report.

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 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.

Board thanked SS for his presentation of the annual accounts to 31.03.2026 and corresponding Management Letter. They thanked SS for the clear explanation of the accounts and had no further questions. SS thanked the Board for their attention, and also thanked the staff at the Co-operative for welcoming and assisting the auditor's team and the standard of information to the auditors. SS reminded Board that if Board had any further questions just to contact him directly.

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.

Board agreed the response to the Management Letter.

Board confirmed all matters noted and no additional queries to raise. **SS concluded his presentation and departed the meeting at 6.10pm.** Decision Made: • Board approved the Annual Accounts 2025/2026 • Board approved the Letter of Representation form the Auditor, Findlays Audit Limited and the response to the Management Letter. • Arrangements were made for signing of the aforementioned documents **6.2 Rent and Service Charge Review** The Management Board previously approved a Rent Setting & Service Charge Review to be carried out by North Star Consulting & Research. *GH and FL joined the meeting via Zoom at 6.25pm* The Chair asked GH and FL to present the Rent Setting and Service Charge Review presentation. GH advised Board that the purpose of the presentation was to give Board a clear, high-level overview of the rent restructure review and demonstrate an example of a rent setting base model that could be implemented to harmonise the current rent structure. GH highlighted that the Co-operative currently has varying levels of rent charges and that the aim of the restructure is not to increase rental income but to ensure rents are fair, transparent and tenants understand how their rent is calculated, and rents remain affordable for all. GH clarified that the model presented at the meeting is not necessarily the model that would be taken forward to restructure the rent as it is based on property size/type only. Other model suggestions could include property size/type but also include additional amenities such as private gardens, additional WC etc. This would be a decision for Board to make. GH discussed the impact on tenants based on the example model used and explained what a convergence approach to the reviewed rents could look like. FL advised Board that the December 2025 Newsletter included an article on the intention to carry out a Rent Harmonisation project in 2026/27. The Summer 2026 newsletter will also feature a more detailed article on the rent harmonisation. The next steps are to undertake full tenant consultation to prioritise criteria & once agreed test the impact and gather feedback on the proposed models. Once the outcome of the consultation is known, the outcome will be integrated into the model, refining assumptions and rent values where required. FL also advised that there is a service charge review being undertaken alongside rent review to ensure a consistent and transparent approach across all charges. Board had a wide-ranging in-depth discussion, with some members highlighting that the Co-operative's rent charges are higher in comparison to other Drumcog social landlords, and would this mean that for some properties the rent charge would increase. JMcG confirmed the Co-operative is working towards a structure that is fairer, transparent and remains affordable for all and stated that some rents may stay the same, some would increase whilst others would decrease. However, the Co-operative will assess affordability impacts of each model, with particular focus on tenants that are not receiving Housing Benefit or Universal Credit and those who	JMcG	27.08.26

might be facing higher increases. A member raised concerns that if the rents increase and extra scenarios are included such as having a balcony or shared garden this will not "sit right" with many of the tenants already struggling with the cost-of-living crisis. JMcG advised that the current rent structure already takes into account additional amenities such as private garden, driveways etc. Board queried if all tenants would be consulted individually and JMcG clarified that all tenants would be consulted and their input will be considered in the decision-making process. Board members advised they would like to see a model based on the Co-operative's rental figures. Decision Made: • The Board noted the rent and service charge review presentation by North Star Consulting & Research • Requested North Star Consulting & Research present a model based on the Co-operative's rental figures **GH and FL left the meeting at 7.06pm** **6.3 Board Appraisal Report (including succession planning)** *PBr joined the meeting at 7.07pm* The Chair asked PBr to present the report. PBr advised Board that the purpose of the report was to update the Board on the outcomes of the annual Board Appraisals for 2026, and how that enables effective governance at DHC. He confirmed that both the Board induction and appraisal process is firmly embedded in the culture of the Co-operative and confirmed that all individual Board members continued to operate effectively in their respective roles individually and collectively. As part of the appraisal process long-serving members' (9 years plus) reviews were completed and confirmed that all three members continue to demonstrate their continued effectiveness as Board members. PBr went through the key elements of the report in detail and concluded that ➢ DHC remains in a strong position in terms of effective governance, and this was evidenced clearly in terms of its ability to recognise and effectively manage a Notifiable Event during the past year. The issue was resolved timeously, professionally and completely in line with DHC's policies and procedures to the Scottish Housing Regulator's satisfaction. The Board induction and appraisal processes clearly support Board members and enable them to work effectively with the Director and Senior Management Team ➢ Succession Planning remains high on the Board's agenda and is being managed proactively ➢ PBr will prepare personal development plans for members.	SMT	On-going

PBr confirmed the mid-year reviews will be conducted in November 2026

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

Decision Made:

- Board noted the Board appraisal report

PBr

PBr left the meeting at 7.15pm

6.4 Scottish Housing Regulator (SHR) Visit 18.05.2026

The Chair asked JMcG to present the report.

JMcG stated that the Co-operative was one of nine landlords selected for an assurance visit by the Regulator. The visit took place on 18 May 2026, which both JB and EK attended along with Senior Staff. Overall, the SHR assurance meeting went well with detailed discussions surrounding Assurance and how the Board ensures it receives assurance, in particular Tenant's Health & Safety and loan covenant compliance. The outcome of the meeting is issued via a letter from SHR which highlights positive practice and any areas of improvement if applicable.

DHC's report which was issued to Board members highlighted good practice areas and areas identified for minor recommendations. JMcG advised Board that SHR re-iterated these are for consideration and it is the Board's decision if they are to be implemented. Discussion took place regarding some of the areas highlighted for improvement and it was agreed that an action plan would be created and brought to Audit, Risk & Staffing Sub-committee for review.

Decision Made:

- The Board noted the report.
- An action plan will be created with the recommendations from the visit and will be presented at the Audit, Risk and Staffing sub-committee to review

SMT

6.5 External Auditor Extension to Contract

The Chair asked JMcG to present the Report.

JMcG sought approval from Board to extend the current contract of the external auditor, Findlays Audit Limited for two 12-month periods to August 2028. The current contract was procured in 2023 with an option to extend for a further two years. JMcG sought further approval for the resolution be presented to members at the AGM to re-appoint Findlay Audit Limited as external auditors for 2026/27. JMcG stated that the Co-operative has a good working relationship with Findlays Audit Limited, they provide advice whenever required and are very well-regarded within the sector and have a good depth of experience.

Decision Made:

- Board approved the extension of Findlays Audit Limited current contract for two 12-month periods to August 2028.

JMcG

6.6 Risk Management Register and Matrix – Annual Review

The Chair asked JMcG to present the report.

JMcG highlighted to Board the risk register is reviewed twice a year, mid-year and annually. The report detailed the annual review of the register. Board was informed that the risk working group - consisting of 3 staff members and 3 Board members met to review the current risk register on 9 June 2026.

The working group discussed Risk E1, Inflation/Cost of Living Crisis and proposed the Impact of USA/Iran war be added to the risk consequence section.

In addition, Risk O1, Tenant and Staff Health & Safety Compliance was discussed by the working group and the recent bin fires in the area were highlighted. There was deliberation whether it should be added to the register. It was noted that the installation of bin hubs should prevent this and will be monitored going forward.

JMcG confirmed to Board that Risk E3, Cyber Fraud, risk ranking had been increased to 20 (severe risk) to reflect the risk associated with the use of Pegasus Opera 3. The register was also updated with the mitigations that have been put in place, all of which were Board approved in March 2026.

Board noted that the annual review of both medium and low risk categories resulted in no changes

The Board was asked if they had any further comments or questions regarding the risk register; no queries or comments were raised.

Decision Made:

- Board approved the Annual Review of the Risk Register

PB

6.7 Internal Audit Programme 2026/27

The Chair asked JMcG to present the report.

JMcG stated that the internal auditors have prepared their draft audit programme for 2026/27. Areas that will be audited are service delivery complaints, financial planning, stock condition survey data and a follow up audit looking at progress of last year's audit recommendations. Visits have been scheduled for July, August, November and December 2026 and January 2027.

Decision Made:

- Board approved the internal audit programme for 2026/27

PB

6.8 Arrangements for AGM

The Chair asked JMcG to present the report.

JMcG confirmed this year's Annual General Meeting (AGM) arrangements to be held in the Co-operative's office on Thursday 27 August 2026 at 6pm.

JMcG confirmed that the agenda will be in the same running order as last year. JMcG advised that in line with Rule 33.1, one third of the elected Board are required to stand down in addition to any co-optees and anyone who has filled a casual vacancy. Since there are fifteen elected Board members in total, the five longest serving members (Rule 33.2) plus any co-optees and those filling a casual vacancy are required to retire (Rule 33.3). JMcG listed the four members that were the longest serving members having been elected/re-elected in 2023. DO'H, GMcI, KMcK and PMcN confirmed that they were willing to stand down and be re-elected as required. It was noted that we also require one volunteer stand down (JB, EK, JMcF, VO and DR elected in 2024) JMcF volunteered to stand down with the option to be re-elected. There are no casual vacancies or co-opted members to consider this year. 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. The following members have been identified as meeting this criteria; HE, EK and JMcF. As part of the annual Board appraisal carried out by PB, the Board were satisfied that HE, EK and JMcF demonstrated ongoing objectivity and will continue to be effective as Board members. Board also noted that the external auditor is appointed annually at the AGM. Due to the satisfactory performance of Findlays Audit Limited, and Board's approval to extend the contract for a further two years, 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 as the Co-operative's external auditors. Board confirmed all matters noted and no additional queries to raise. Decision Made: • The Board approved arrangements for the AGM meeting Thursday 27.08.2026 • Board agreed five members to stand down as per rule 33.1 • Board agreed to recommend the re-appointment of current external auditors Findlays Audit Limited at the 2026 AGM **6.9 Staffing Matters – Confidential** The Chair asked JMcG to present the report. JMcG asked Board to note that due to the Senior Maintenance Officer (SMO), having resigned and leaving the beginning of June we currently have a temporary agency SMO [redacted] in place. JMcG updated Board that the advert for the	PB	

SMO post is live on EVH and SFHA websites, the advert will run until Friday 31 July 2026 with interviews taking place on Tuesday 11 August 2026. [redacted] (consultant) has been supporting the Senior Team and due to the recent resignation of the SMO, JMcG requested that her contract be extended to 30 September 2026 to provide support during this period of change. Decision Made: • Board noted the content of the report and approved the extension to Sharon Flynn's contract until 30 September 2026		SMT	
7.	**Policy Review**		
The Chair asked JMcG to present the report. JMcG requested Board to note the update on the Environmental Sustainability Policy and sought approval to reschedule the review of the Customer Service Standards Policy and the ICT Strategy. The Environmental Sustainability Policy details how the Co-operative deals with reducing fuel poverty, improving energy efficiency, and support for wider action on climate change. It also provides a framework for meeting legal and regulatory requirements, improving older housing stock, and balancing environmental sustainability with affordability and tenant wellbeing however, these topics are already covered in the Asset Management Strategy, Repairs and Maintenance and Tenant Sustainment Policies. JMcG confirmed that the Scottish Government is looking to finalise the net zero standards over the next year and once received, Board will be updated and it can be reviewed if a standalone policy is required. JMcG stated that the Customer Service Policy was due for review in June, this policy is still under review and is now out for tenant consultation. It will be presented at the August 2026 meeting. The ICT Strategy was due for review in June, the policy is currently being reviewed by Brightridge our IT provider and will be presented at the August 2026 meeting. Decision Made: • Board noted the update of the Environmental Sustainability Policy • Board approved the rescheduled review for the Customer Service Standards Policy and the ICT Strategy for the August 2026 meeting		FK	
8.	**Governance**	**Lead**	**Due By**
8.1 Membership Report The Chair asked FK to present the report. There were 13 prospective members for Board approval this month and four share certificates to be approved and signed by the Office Bearers.			

Board noted the report, and no additional queries were raised. Decisions Made: • Board approved the prospective members and Share Certificates for signing **8.2 Ethical Conduct and Notifiable Events** The Chair confirmed there were no ethical conducts or notifiable events to report this month.	FK	
9. Audit, Risk and Staffing Sub-Committee	**Lead**	**Due By**
There were no sub-committee minutes to report this month	-	
10. Housing and Maintenance Sub-Committee		
There are no sub-committee minutes to report this month.	-	

11. A.O.C.B.

The Chair invited any other business to be presented at the meeting.

11.1 – JMcG stated to Board that the photocopier upstairs is no longer working and that she had been in discussions with our current provider Digital Solutions who have sourced a refurbished machine for £1800.00. JMcG sought approval to purchase the photocopier.

Decision Made:

- Board approved the purchase of a refurbished photocopier

12. Date of the Next Meeting

The Chair thanked everyone for their attendance and input.

The Chair closed the meeting at 7.25pm.

The date of the next meeting is **Tuesday 4 August 2026 at 6.00pm** at Drumchapel Housing Co-operative Office and via Zoom.

Chair……………………………………………Date…………………………