



Minutes of the Management Board meeting held on Tuesday 6 August 2019 at 6.00pm in Drumchapel Housing Co-operative's office, 4 Kinclaven Avenue, Glasgow, G15 7SP

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**Ag4**

**Present:** Joan McFarlane  
Cllr Elspeth Kerr  
Margaret Bowie  
Helen Eakin  
Paul McBride  
George Rankin

**In attendance:** Caroline Jardine, Director  
Pauline Burke, Depute Director  
Duncan McKnight, Technical Manager  
Jackie McGoran, Financial Officer  
Joan Williamson, Findlays Chartered Accountants  
David Ampofo, FMD Financial Services  
Stephen Watt – minute-taker

At the beginning of the meeting, Chair J McFarlane asked everyone to introduce themselves to Joan Williamson from Findlays Chartered Accountants.

## **1. Apologies**

1.1 Apologies were received from J McAllister and T Diggory.

## **2. Declaration of interest**

2.1 There were no declarations of interest.

## **3. Minute of the previous meeting**

3.1 The minute of the meeting on 25 June 2019 was proposed by Cllr E Kerr and seconded by M Bowie.

## **4. Matters arising**

4.1 There were no matters arising.

## **5. Director's report**

### **5.1 Draft annual accounts to 31 March 2019**

5.1.1 J Williamson discussed the findings emanating from the main statements and balance sheets from the annual audit.

5.1.2 It was highlighted that a better surplus on core activities had been achieved, with an increase of £402,138 in net asset compared to last year.

5.1.3 Any Board members with further queries were asked to contact C Jardine who will pass on J Williamson's e-mail address for further discussion.

5.1.4 The Board approved the draft annual accounts to 31 March 2019.

**J Williamson left the meeting at 6.25pm.**

### **5.2 SHAPS accounting changes**

5.2.1 D Ampofo presented the SHAPS accounting changes on Page 61 of the distributed Board papers. It was established that further changes are anticipated next year, with the final valuation anticipated in autumn this year.

5.2.2 The Board noted the report.

### **5.3 Business Plan – 2019 to 2022**

5.3.1 C Jardine presented the business plan to Board members and advised there were a few errors to highlight since the papers were distributed to Board members.

5.3.2 D Ampofo explained the errors and asked the Board to note the correct position below:

11.4.5. Rent increase – The application of an added 1% on top of CPI until Year 5 results in a £3.3m increase in cash at Year 30 (Not CPI only).

11.4.6. Rent increase – Rent arrears at 31 March 2019 were 3.27% (2018 – 2.93%) of total gross rent for rented stock. The 1.14% 2019 figure incorrectly provided was Net Arrears divided by Net Rents.

11.5.2. Voids and bad debts – Total costs are assumed at 2.20% in 2019/20, increasing to 2.45% in Year 2 then increasing to 3.25% Years 3-5 before gradually falling to 2.50% by Year 7 and holding at this rate for the remainder of the long term.

11.10.3. Management costs – In the event of costs increasing by 1% in real terms as opposed to 0.5% in the first ten years there is an adverse impact of around £1.3 million. If costs increase by inflation only over the long term there is a positive impact of £421,000.

11.7.2. Planned Maintenance – It is envisaged that, on average, around £38,477 (before inflation) per unit will be spent over the plan period. 23% of total spend will take place in the first ten years, followed by a further 32% of spend up to Year 20, with the balance of 45% being spent in the last ten years. Real cost increases are assumed at 0.5% per annum for the full plan period.

Finally, at 5.4.1 the date of the annual away day appears as 31 March 2019 but should read as 31 May 2019.

5.3.3 The Board approved the 2019/2022 Business Plan.

**D Ampofo and J McGoran left the meeting at 6.40pm.**

#### **5.4 Secretary's year-end report**

5.4.1 The Board noted the contents of the secretary's year-end report.

#### **5.5 Arrangements for AGM**

5.5.1 Referring to Agenda item 5.7.3 from the June minutes, C Jardine informed the Board that, along with Cllr E Kerr and T Diggory, one further person was needed to volunteer to step down as per Rule 33.1 (one-third of Board required to step down).

5.5.2 P McBride volunteered to step down and was advised that he can automatically stand if he wishes to return to the Board.

**S Watt and D McKnight left the meeting at 6.45pm.**

## **5.6 Co-operation Agreement/Staffing matters - CONFIDENTIAL**

5.6.1 C Jardine updated the Board on staff recommendations which had been agreed by the sub-Committee and were now remitted to the Board for approval. Following discussion, these were agreed.

**S Watt and D McKnight returned to the meeting at 7.05pm.**

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

### **6.1 Performance report – Quarter 1 (April to June 2019)**

6.1.1 P Burke presented the performance report for the first quarter (Apr to Jun 2019). D McKnight also explained the slight decrease in the repair satisfaction performance.

6.1.2 The Board noted the Performance Report.

### **6.2 Asset Management Plan – 2019 to 2022**

6.2.1 D McKnight presented the Asset Management Plan for 2019/2022.

6.2.2 The Board approved the 2019/2022 Asset Management Plan.

### **6.3 Planned maintenance programme update**

6.3.1 D McKnight presented the planned maintenance paper, discussing the progress of the window and bathroom procurement.

6.3.2 The Board were informed that the most suitable tenders would be appointed through the framework, with planned works progressing September – November 2019.

6.3.3 The Board noted the planned maintenance update.

### **6.4 Cyclical painterwork – update**

6.4.1 D McKnight advised the Board that the six highest bidders tendered, and a breakdown of costs and scores established that Mitie had returned with the best bid.

6.4.2 Due to the tender costs for painterwork rising considerably over the last few years and to ensure the contract does not exceed current budget levels there is a requirement to review the scope of works and negotiate a revised tender.

A breakdown on Page 164 of the Board papers demonstrates the reduction required for both the Co-operative and Cernach Housing Association with whom the joint procurement is obtained.

6.4.3 The Board noted the cyclical painterwork update.

## **6.5 Draft five-year investment plan**

6.5.1 It was proposed by D McKnight that the six properties which had been identified as failing the Scottish Housing Quality Standard (SHQS) be brought up to date this year.

6.5.2 The Board approved the draft 5-year investment plan, together with the inclusion of the 6 properties referred to above.

6.5.2 The Board approved the proposal.

## **6.6 Eviction report**

6.6.1 P Burke referred the Board to the eviction report.

6.6.2 The Board approved the eviction report.

## **7. Policy and practice**

### **7.1 Policy review**

#### **7.1.1 Disposal of land and assets**

7.1.2 C Jardine requested that the Board approve the policy on disposal of land and assets.

7.1.3 The Board approved the Disposal of Land and Assets policy.

### **7.2 Bite size briefing**

7.2.1 A bite size briefing for Gas Safety was deferred until the September meeting.

## **8. Governance**

### **8.1 Membership report**

- 8.1.1 There were two Share Certificates to be issued to new tenants. These were signed by two Board members and passed to the Secretary to sign.

**Action – S Watt**

## **8.2 Ethical conduct and notifiable events**

- 8.2.1 There was nothing to report.

## **9. Audit, Risk and Staffing sub-Committee**

### **9.1 Minutes of meetings**

- 9.1.1 There are no sub-Committee minutes to report this month.

## **10. Any other competent business**

- 10.1 A management letter relating to the annual audit was signed by the Chairperson J McFarlane.

- 10.2 Drumchapel Money Advice Centre are due to host their AGM on Friday 16 August 2019 at 1.00pm in the Phoenix Neighbourhood Centre. Any Board members keen to attend are asked to let S Watt know.

**Action – S Watt**

- 10.3 FMD Financial training for Board Members is planned to take place on Tuesday 20 August 2019. C Jardine asked who was keen to attend and Cllr E Kerr, H Eakin, M Bowie and P McBride all volunteered.

- 10.4 The Gifts & Hospitality register has been updated with flowers purchased for Board Member T Diggory following the birth of her child.

- 10.5 Special Leave for the remainder of 2019 was approved by the Board for T Diggory. Tanith will not be expected to return until the meeting on 28 January 2020.

- 10.6 S Watt reminded Board Members that the Summer Fun Day is due to take place on 7 August 2019, and all were welcome to come along.

## **11. Date of next meeting**

- 11.1 The next meeting will take place on Tuesday 10 September 2019 at 6.00pm in the Co-operative's office.

**The meeting closed at 7.45pm**