

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Management Committee meeting held via Video Conferencing on Wednesday 11 November 2020 at 18:00

Present: Pauline Sandford, Chairperson
Susanne Crayton, Treasurer
Maggie Botham, Vice Chairperson
Carmena Nixon, Secretary
John Malone
Diana MacLean
Brian McInally
Brian Moore
Catherine McClymont
Hazel Galbraith
Ruth McElhinney
Ken Greenshields
Mary Clarke
Agne Zasinaite

A quorum was achieved.

In Attendance: The Chief Executive Officer (CEO)
The Depute Chief Executive (DCE)
Corporate Services Officer (CSO)
Elaine McIvor Corporate Services Assistant (CSA) minute

1. Apologies

The Chairperson welcomed everyone to the meeting, in particular Agne Zasinaite, who is a new Committee Member. Apologies were submitted by Jacqueline McCutcheon.

2. Approval of Previous Meeting Minutes & Matters Arising

The minute of the Committee meeting held on 28^h October 2020 was checked for accuracy, one amendment was noted. There were no matters arising.

3. Conflicts of Interest

There were no conflicts of interest.

4. Notifiable Events

The Chairperson invited the CEO to present the report to Committee. The CEO advised Committee that the notifiable event reported to the Regulator, regarding the Gas Safety check was now closed and the Gas Safety check was now complete.

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| <p>i) Committee considered the report and agreed the actions of the Association were satisfactory in relation to Notifiable Events.</p> |
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5. Actions from Previous Meetings

The Chairperson asked the CEO to present the report to Committee. The CEO confirmed that the report on Chair & Vice Chair Role and Descriptions would be presented to the Committee meeting on 9 December 2020.

- i) Committee considered the Actions from Previous Meetings Report and agreed progress was satisfactory.

6. Health & Safety Verbal Update

The Chairperson asked the CEO to present a verbal report. The CEO advised that the Cross Departmental Working Group which had been set up for the re-opening of the office had met twice in the past two weeks. Discussions have taken place with all staff regarding lessons learned since the office had reopened to staff groups. The Working Group have revised Method Statements and Risk Assessments which have been issued to all staff, to include specific details from NHS Test and Protect Scotland. The CEO confirmed that everything was working well.

- i) Committee considered the Verbal update on Health & Safety to be satisfactory.

7. Agreement for Items for AOCB

The Chairperson asked Committee if they had any items, they wished to discuss under AOCB. There were no items for discussion under AOCB.

The Chairperson announced a comfort break of 5 minutes due to the volume of discussion required on the next Agenda Item.

Comfort Break 6.07pm. Meeting resumed 6.12pm

8. 2021/22 Draft Budget & Rent Review

The Chairperson asked the CEO to present the report to Committee.

The CEO reminded Committee of the Business Plan review event in August and in particular the environmental analysis carried out and risks identified in relation to the impact of the pandemic:

1. Tenant debt
2. Contractor Viability
3. Contractor Capacity
4. Future Tender Opportunities & Costs
5. Future Contractor Availability
6. Material & Component Costs

The CEO explained that due to the exceptional circumstances, Management Team had been unable to meet and provide a statement of main assumptions. The CEO gave a detailed explanation of the report highlighting:

- The Associations Rent Policy
Clydesdale uses the Consumer Price Index (CPI)

2 Elements to the Policy:
Capability Scotland – CPI - Historic Agreement.
All other properties CPI + 1%
- Rent Increase Scenario
The CEO discussed the 3 projection scenarios and highlighted the outcomes of Year 1, 2 and 3.
- Rent Comparison Graphs
Graphs show that CHA's average weekly rent is the second lowest in the Rural Peer Group.
- Affordability and Tenant Satisfaction
Tenant Satisfaction 90.97% of tenants feel the rent represents very good or fairly good value for money.
- The impact of the 3 rent review scenarios on CHA's long-term financial plans.

Committee asked questions and a discussion took place on the following:

1. Percentage of Revenue that comes from Housing Benefit and Universal Credit.
The DCE advised that approximately 50% of income was made up of HB and UC.
2. Current Rent Arrears
The DCE explained that after a sharp increase in April, there had been a slight decrease in October, she further advised of the recent change and UC payments were now received daily and not monthly. Housing Officers continue to engage in the early stages of rent arrears. The DCE explained that rent arrears had not proved as problematic as first anticipated.
3. Voids - What affect has the current climate had on demand.
The DCE advised although this is not tracked by CHA, she agreed to consult SLC to establish if this information was available. The DCE explained that while voids had slowed in contrast to last year, they were higher than had been anticipated.
4. Service Charges – Calculation
The DCE explained that service charges are set at a level that will recover the previous year's cost of providing relevant services.
5. Housing Benefit & Universal Credit Implications
The DCE advised that Housing Benefit & Universal components would

normally track whatever increase is imposed.

Catherine McClymont left the meeting at 6.55pm.

The CEO confirmed that Tenants would be issued a Rent Consultation Leaflet advising of rent review options. The Leaflet will contain very clear information on performance and planned stock investment in order to facilitate informed tenant feedback.

Committee considered and discussed each of projection scenarios and the implications, looking at the current rate of inflation.

The CEO confirmed that that Rent Policy looks for CPI + 1% as standard and is subject to annual review. He highlighted the Gross Income & Expenditure, the Balance sheet, and the substantial investment coming up in 21/22, confirming the Loan Covenants are not under any threat.

The rent review scenarios show that a CPI only increase would result in £31,999 less rental income and a rent freeze would result in £48,251 less rental income over 2021/22.

The CEO advised Committee that, to assist Tenants, CHA, for a period of 1 year only could look at making efficiency savings by cutting back office costs, without adversely affecting service delivery, to meet this sum, to allow for the CPI only scenario. If savings equivalent to the rent freeze figure were necessary, service delivery areas would require review.

The CEO explained in detail the following areas that may be considered for the cost cutting efficiency exercise:

- Learning & Development
- Tenant Satisfaction Survey
- Legal & Professional Fees
- Print & Posting - transfer to digital
- Staff Conferences
- Staff Training
- Committee Conferences
- IT development Training
- Furniture & Fittings

Committee agreed that this was admirable and discussed the implications of cutting the costs in the above areas. Concerns were raised - CHA is a sector leader in performance and satisfaction and concerns were raised over cost cutting areas such as staff training and development could adversely impact on our culture of continuous improvement.

Ruth McElhinney left the meeting at 7.30pm

The CEO explained that SFHA have an online affordability tool which allows users to see how their rent and affordability measures compare to other social landlords. SFHA state that housing rents should be no more than 30% of household income. The DCE

used the assessment tool to compare CHA's rents. The results proved CHA's rents were around 25% of Household Income, which is comparable and affordable by SFHA standards. The only exception to 25% were single people living in 1 or 2 bedroom accommodation – these were marginally above the 25% level at 25.9% and 26.2% respectively.

The CEO advised that much consideration would be given to the Rent Consultation document that will be issued to the tenants advising on the 2021/22 proposals showing how each proposal, will impact the service, risk and future financial viability for CHA.

The Chairperson thanked everyone for their input in this discussion.

- i) Committee considered the draft budget for the year to 31 March 2022.
- ii) Committee discussed the rent review for the year to 31 March 2022.
- iii) Committee agreed the rent review proposals to be presented to tenants as part of the rent consultation exercise.

9. Budget & Rent Review – Tenant Consultation

The Chairperson asked the DCE to present the report. The DCE gave an overview of the report, indicating the timescales and process for the consultation also highlighting:

- A newsletter and an individual letter will be sent to all tenants detailing how much per week their rent could rise by.
- Details of the budget and rent options will be presented to Clydesdale Tenants' & Residents' Group and their comments will be included in the individual letter.
- A newsfeed will be placed on CHA website and Facebook page.
- Consideration is being given to the possibility of organising Focus Groups via Zoom.

- i) Committee considered the report and agreed it provided sufficient information.
- ii) Committee approved the rent increase consultation process and timetable as presented in this report.

The Chairperson thanked everyone for attending and the meeting ended at 19:50.