

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Management Committee meeting held via Video Conferencing on Wednesday 8th February 2023 at 18:00

Present: Maggie Botham, Chairperson
Agne Zasinaite, Secretary (via Zoom)
Brian McNally
Jacqueline McCutcheon
Ken Greenshields
Pauline Sandford
Ross Gowland

A quorum was achieved.

In Attendance: The Chief Executive Officer (CEO)
The Interim Depute Chief Executive (IDCE)
Housing Manager (HM)
Finance Manager (FM)
Elizabeth Miller, Corporate Services Officer (CSO) minute

1. Apologies

Apologies were received from Susanne Crayton, Gillian Anderson, Hazel Galbraith, John Malone, Ruth McElhinney and Lesley McDonald.

2. Conflicts of Interest

No conflicts of interest were noted.

3. Agreement on Items for A.O.C.B.

The Chairperson asked Committee and staff if they had any other competent business to discuss at agenda item 6. Committee agreed to discuss:

- Management Committee Recruitment update
- Management Committee Appraisals
- Management Committee Training
- Management Committee meeting Self-Assessment topics

4. Budget & Rent Setting Consultation Results

The Chairperson asked the HM to present the report to Committee. The HM gave Committee an overview of the report. They made them aware of the number of tenants who had responded to the consultation, the way in which tenants responded to the consultation and the overall results of the consultation.

- i) Committee considered the information contained in the Report.
- ii) Committee having considered the consultation agreed to discuss and make a decision on the rent increase for 2023- 2024 after the Finance Manager's report, agenda item 5.

5. Proposed Budget & Rent Setting for the year to 31 March 2023

5.1 – 5.9 Finance Manager's Report

The Chairperson invited the FM to present the report. The FM gave Committee an overview of the information presented in Agenda Items 5.1- 5.9. The FM covered all the relevant points in the reports and asked Committee for their views, questions, and opinions on the budget and make a decision on which rent increase option to apply for 2023-2024. Committee discussed:

- The results of the consultation exercise.
- The impact on the 30-year cash flow of the 5%, 7.5% and 10% rent increase options.
- Current inflation rates and predicted inflation rates.
- Other RSL's rent increases for 2023-2024 – It was noted that the majority of Glasgow and West of Scotland Forum of Housing Associations (GWSF) members rent increases for 2023-2024 were between 5% and 7%.
- Sharp increases in CHA's operating costs and reactive repair costs.
- The topics discussed at the Business Planning away day held on the 1st October 2022 including: Economic overview and the Scottish Government Enforced Rent Freeze/Cap, SFHA Feedback on Scottish Governments policy proposals, CHA rent Affordability Profile & Tenant Feedback & average rent benchmarking, Stock Condition Survey overview, Construction Industry Inflation Rate & Revised Component cost profiles, Revised 30 Year Cashflow Assumptions and Cashflow Scenario Results.
- Impact on tenants' ability to pay a 5%, 7.5% or 10% increase in rent when other costs are increasing.
- The discussion held with the Residents and Tenants Organisation (RTO) on the proposed rent increase options.
- Investment in tenants' homes with a 5%, 7.5% and 10% increase in rent levels.
- The impact of a 5%, 7.5% and 10% increase in rent and tenants' ability to pay. The CEO gave details of the Housing Management Team's engagement process with tenants who experience difficulty paying their rent. They told Committee of the Housing Management teams success in finding solutions to help tenants who can't pay their rent and how they deal with tenants who won't pay their rent.

- Scottish Federation of Housing Associations (SFHA) affordability tool. The HM advised that for rents to be affordable they should not exceed 30% of household income. Based on a proposed 5% rent increase the Association's rents were well below this threshold with the exception of one category, a single person in a two-bedroom property, they were all under 25.2% of household income. For this category it was 27%. Based on a 7.5% increase, the Association's rents below the threshold but, again, single persons in a 2-bedroom property are sitting with levels of 28% household income. This increases further to 28.3% of household income for single persons in a 2-bed property based on a 10% increase.
- Arrears insight – It was agreed that the HM would expand on the information provided in the corporate scorecard to include information on arrears management pre and post rent increase and the number of hours the Housing Team spend on dealing with rent arrears.
- Committee recognised the Association's success in securing three rounds of Scottish Government Social Housing Fuel Support Fund (via SFHA) fuel voucher funding for all tenants (2 x £170 per household and 1 x £200). These payments and the additional funding/support provided through CHA's partnership with The Wise Group's HEAT Team have and are being positively received by CHA tenants and offer some welcome protection from high energy price inflation.
- Low rent increases applied by CHA over the past 2 years – 1% in 2021/22 and 2% in 2022/23.
- The Association's average rents are amongst the lowest when compared to other rural housing associations and Scottish average RSL rents. In April 2022 the Association had the 8th lowest average weekly rent increase of all Scottish housing associations.
- Listening to tenants, the consultation results and meeting the requirements of the Scottish Housing Charter.
- Management Committee concluded that the 7.5% rent increase option would be applied for 2023/24 based on:
 - The need to generate a level of income that will help to mitigate against the unavoidable above inflation cost increases in many areas e.g. reactive repairs costs increasing at 20%;
 - The need to ensure that CHA will remain financially viable going forward and be able to fund future service provision and investment programmes that will protect tenant safety and the quality of tenants' homes;
 - CHA's high level of rent affordability at the 7.5% increase option using the SFHA's affordability calculator;
 - Given that CHA's rent levels have been historically low compared to similar RSLs, CHA needs to increase rents at a higher rate than previously;
 - The increase is still lower than the inflation rate at September 2022 (10.1%) and the current rate of inflation of 10.5%;

- CHA's Housing Management Team will continue to employ all support mechanisms available and engage with tenants experiencing difficulty in affording to pay their rent.

- i) Committee discussed and agreed a rent increase of 7.5% the year ending 31 March 2024.
- ii) Committee approved the budget for the year to 31 March 2024.

6. AOCB

- Management Committee Recruitment – The CEO gave Committee details of the recruitment process and the number of applications received. They advised that the recruitment panel and a staff member from EVH will meet with the applicants on 15 February 2023 and report back to Committee on their decision.
- Management Committee appraisals – The Chairperson told Committee that the appraisals will take place on Tuesday the 4th and Wednesday the 5th April 2023. They asked that Committee members make them aware if they are unable to attend on either of these dates.
- Management Committee Training – The CEO advised that Health and Safety training for Committee will take place electronically on Thursday the 16th February 2023 at 6pm via Zoom. The CSO will send details to Committee in advance of the training.
- Management Committee meeting Self-Assessment topics – The Chairperson told Committee that the next Self-Assessment meeting would take place after the Committee meeting on Wednesday the 22nd February 2023. They asked Committee to contact them with suggestions on topics for discussion.

The Chairperson thanked everyone for attending, the meeting ended at 19:00.