

CRAIGDALE HOUSING ASSOCIATION LIMITED

BOARD MEETING

MONDAY 6TH FEBRUARY 2023

AGENDA ITEM: 4B APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING

CRAIGDALE HOUSING ASSOCIATION MINUTE OF BOARD MEETING HELD ON TUESDAY 10TH JANUARY 2023 AT 6.00PM

PRESENT:

Des Phee	Chairperson	Helen Bayne	Board Member
Morag Cameron	Vice Chair	John Kilpatrick	Board Member
Louise Bacon	Secretary	Stephen Baxter	Board Member
Claire Taylor	Treasurer	Kevin Boyle	Board Member
Christine McCormack	Board Member		

IN ATTENDANCE:

Linda Chelton	Chief Executive Officer (CEO)	
Frances Cunningham	Senior Corporate Services Officer (SCSO)	(Minute Secretary)
Lisa Campbell	Housing Services Officer (SHSO - Temp)	
Fettes McDonald	FMD Financial Services Ltd	

1. Apologies for Absence

Apologies were tendered on behalf of Stephen Kelly (Board Member), Gemma Woodrow (Board Member) & Hilary Tennant (Board Member).

Leave of Absence:

None at present.

Absent:

None at present.

2. Chairperson's Remarks

The Chairperson thanked everyone for attending tonight's meeting and wished everyone a happy new year.

3. Declaration of Interests

There were no declarations of interested raised.

4. Rent Consultation 2023/24

The CEO highlighted that at our November Board meeting we were unable to set a level for the upcoming rent increase due to the Scottish Government intervention into rent setting. As this would make consultation difficult the Board decided to consult in two parts.

The CEO advised that tonight we will further look at the financial implications to the association of a below inflation increase and that we will also look at the impact the current climate is having on services and look at our customer priorities.

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The CEO explained that the Scottish Government (SG) lifted the restriction imposed by the Cost of Living (Tenant Protection) (Scotland) Act 2022 in late December meaning we are free to set our own rent level. The information produced by the SG did talk about averages of proposed rent increases and a 6.1% average was cited. The SG did however say that they expect that some RSL's will post increases above this level due to their own circumstances.

Currently the announced increases range from 3% to 9% there is always the potential for scrutiny from the Regulator going above the average.

The CEO mentioned that we do however need to be realistic about the economic climate at the moment basically anything could happen, and we need to be mindful that we don't set our increase at such a low level we can't operate effectively.

The CEO highlighted that our business plan assumes that the rent increase should be based on October CPI plus 1% and our longer-term plans and operating costs are based on this assumption.

F McDonald advised that the cashflow over the short term with a low rent increase will be fine, but over the long term we would be required to look at reductions.

Compared against local RSLs our rents on average are the lowest. There is scope to increase rents however Scottish Housing Regulator require rents to be affordable but appreciated that RSL's need to be viable as well. F McDonald highlighted that we are sitting in a good position. However, if we maintain low rent increases in the short term it will have an effect in the long term and may have to consider higher rent increases down the line.

- *The Chair asked whatever we decided tonight would it have any major impact now. F McDonald advised if we increase rents by 1.5% over four years, we would be safe however, if we increase rents by 2.0% over 4 years we would be slightly better off.*

The CEO highlighted current tendering problems, supply and labour shortages, reduced number of operators, lack of skills with new technologies, overall uncertainty in the market, higher tender rates, continuing inflation. The CEO mentioned that we will have a number of key services due out to tender including our repair framework, boiler replacement.

The CEO advised that we sent out letters on 19th December with the calendar and newsletter unfortunately due to the Royal Mail strike some customers did not receive the letter until 5th January.

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Tenants were given the choice from our five main business plan priorities:

- Day to Day repairs
- Planned Investment
- Support services
- Maintenance of open spaces
- Community projects

All had an explanation of what they involved, and tenants were asked to rank them in order of priority to them.

We received 28 returns in total. All responses had repairs and planned maintenance as high priorities and all but 1 had community events as the lowest priority.

The CEO highlighted that we are currently looking at delaying planned works, lengthening lifecycles of components/move to a more intuitive way of deciding planned works. Running the boiler replacement tender over two years. We are having to bring replacement windows and doors programme forward as these are failing. Possibly have to look at scaling back with community activities. Reducing office opening/ restructure staff team and having to stop or charge for bulk uplifts.

The CEO advised that currently the Council are not charging for us to dispose of bulk, however this may change soon, and we are charged by weight for every disposal that we make.

- *M Cameron asked if the Council are doing anything about the bulk uplift. The CEO advised that the council are not doing anything currently to assist with the issue.*
- *K Boyle highlighted that their office is now closed on a Friday, and everyone works from home.*
- *H Bayne asked if we knew how many tenants are on housing benefit. The SHSO (Temp) confirmed that approximately 214 (58%) tenants are on housing benefit.*
- *The Chair mentioned that in the November Rent Consultation report we looked at 3%, 5% & 7% rent increases and also discussed the possibility of a multi-year approach of approximately 5% over a three-year period instead of CPI + 1%. What if we consider a straight monetary figure and a percentage.*
- *H Bayne highlighted that affordability on increases was mentioned in the November Rent Consultation report.*

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- *M Cameron agreed that £5.00 sounds better than a percentage and the amount would allow us to still upgrade our properties.*
- *H Bayne asked if we knew what the other local RSL's are consulting on? The CEO highlighted that they are considering between 5%-7%.*
- *H Bayne asked if we have anticipated costs to address damp and mould. The CEO advised that we have currently identified issues in our Phase 5, 6 & 7 properties. There does not seem to be ventilation within the attic space. We have a consultation coming to inspect a number of attic spaces next Friday who will give us a report of works required and estimated costs to rectify these issues.*
- *J Kilpatrick suggested implementing £5 average to weekly rents or maybe between a 5% - 7% increase.*

The Board after a lengthy discussion, noted and approved the Business Planning and Finance Discussion presentation and agreed to consult with Tenants on £5.00 and 6.5%. The Board agreed to use the following methods for consultation send letter to all tenants, the Pulse Survey and Open Consultation at the Office.

5. Correspondence

The Secretary confirmed that there was no correspondence for discussion this evening.

6. Any Other Competent Business

The Chair asked if anyone had any other competent business for discussion. There was no further competent business for discussion.

7. Date of Next Meeting

Monday 30th January 2023 at 6.00pm
Monday 6th February 2023 at 6.00pm

Board Meeting (Budget)
Board Meeting (Jan)

The meeting concluded at 7.00pm