

CUNNINGHAME HOUSING ASSOCIATION LTD

Minutes of Special Board of Management Meeting

Held on Thursday 20th January 2022 at 1:45 pm via Microsoft Teams



Present	In Attendance
John Kelly (Chair) Lesley Keenan Janet Strang Elizabeth Shedden William Gibson June Fenelon John Nisbet Brian McCabe Drew Hall Margaret Davison Councillor Jimmy Miller Councillor Jim McMahan Brenda Johnstone Liam Loudon John McLaren	Frank Sweeney, Group Chief Executive Steven Good, Executive Director of Housing & Property Services Allison McColl, Executive Director of Finance & Corporate Services Fettes McDonald, Financial Consultant Elaine Nimmo, Minute Secretary Kirsteen Wyllie, Administration Assistant

PRIORITY RED – SECTION 1 – STANDING ORDER ITEM AND GOVERNANCE ITEMS		ACTION
1.	Apologies None	
2.	Chairperson's Remarks <ol style="list-style-type: none"> 1 The Chair asked all Members to mute their microphones unless they wish to speak and to say their name prior to speaking. 2 The Chair asked all Members to ensure that their mobile phones are switched off. 3 As there were confidential items on the Agenda the Chair read out the following confidentiality statement: In compliance with the Regulatory Code of Governance and Board Members' Code of Conduct all items detailed in this notice as being confidential should not be discussed with any external party either prior to or after said meeting by any Member of the Board of Management. All members should note that when the Group CEO/Executive Directors/Officers are giving or presenting their report that there will be no interruptions to allow them to finish their reports. Questions can be asked after the presentation. 	
3.	Declaration of Interest John Nisbet declared an interest with regard to item 5 of the agenda which was duly noted and will be recorded in the Association's register.	CEO
4.	Requirement of the Writing (Scotland) Act 1995 None.	

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PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN	ACTION																
<p>5. Proposed Rent Increase 2021/2022 (CONFIDENTIAL) <i>(Confidential Report is commercially sensitive therefore has been withheld because disclosure would harm commercial interests.)</i></p> <p>Steven Good, Executive Director of Housing & Property Services proceeded to present the previously circulated report to the Board of Management in detail advising that the Association uses CPI as the benchmark which is traditionally lower than the RPI rate when considering rent increases. Using CPI results in lower rent rises for the Association however CHA acknowledges that rents are at the higher end of averages particularly locally.</p> <p>The Board noted that the recent Glasgow and West of Scotland Federation of Housing Association’s annual rent increase survey indicated that of the 38 RSL’s responding the majority of them intend to raise their rents between 1.5% to 5.5%. The average which they intend to raise the rents are 3.38% (subject to consultation).</p> <p>The Executive Director of Housing & Property Services referred members to the proposed rent increases of the other Ayrshire based Associations detailed in the report. It was noted that although CHA are one of highest rents locally, they remain one of the lowest rent rises in Ayrshire. CHA provide a high standard of service which is taken into account when considering the budget for the forthcoming year and setting the proposed rent increase as well as the current financial climate, given the large increase in inflation.</p> <p>The Executive Director of Housing & Property Services confirmed the format of the rent consultation process will follow the same process as last year due to the COVID-19 pandemic resulting in no roadshows. All rent consultations will be carried out by telephone or via MS Teams meetings online. The Executive Director of Housing & Property Services advised that all tenants are written to and provided with a prepaid envelope to submit any questions or queries and staff are also contactable via telephone to discuss the proposed increase.</p> <p>It was explained that the Board of Management require to consider the Association’s proposed rent increase prior to embarking on the consultation exercise with tenants on an annual basis and agree the proposed timetable as follows:</p> <table border="1" data-bbox="300 1486 1388 1801"> <tbody> <tr> <td>Rent Increase Paper to Special Board of Management Meeting</td> <td>20-Jan-22</td> </tr> <tr> <td>Tenant Rent Increase Consultation Letter</td> <td>21-Jan-22</td> </tr> <tr> <td colspan="2">Rent Setting Consultation</td> </tr> <tr> <td>Telephone Consultations</td> <td>24-Jan-22 to 04-Feb-22</td> </tr> <tr> <td>Tenants Forum Meeting</td> <td>02-Feb-22</td> </tr> <tr> <td>Results of Consultation collated</td> <td>04-Feb-22</td> </tr> <tr> <td>Special Board of Management Meeting</td> <td>10-Feb-22</td> </tr> <tr> <td>Rent Increase Letters issued</td> <td>w/c 14-Feb-22</td> </tr> </tbody> </table> <p>The Board of Management will receive feedback from the consultation sessions at</p>	Rent Increase Paper to Special Board of Management Meeting	20-Jan-22	Tenant Rent Increase Consultation Letter	21-Jan-22	Rent Setting Consultation		Telephone Consultations	24-Jan-22 to 04-Feb-22	Tenants Forum Meeting	02-Feb-22	Results of Consultation collated	04-Feb-22	Special Board of Management Meeting	10-Feb-22	Rent Increase Letters issued	w/c 14-Feb-22	
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<p>5. the special meeting on Thursday 10th February 2022 which shall inform the final budget for the year 2022/23.</p> <p>The Executive Director of Housing & Property Services informed members that 70% of CHA tenants would be unaffected by the proposed rent increase as their current benefits would cover this and explained that the other 30% of CHA tenants would have the full support of the Association’s Financial Inclusion Team as well as the CHA Lemon Aid Fuel Poverty Team who will be on hand to deal with tenants’ issues or concerns.</p> <p>Fettes McDonald, (FMD) referred members to the previously circulated draft budget for 2022/23 which indicates a surplus of £2.398m, however the Association requires to consider the cash position of the organisation taking account of the following, expressing that affordability is key:</p> <ul style="list-style-type: none"> • non-cash items within the Statement of Account • Capital payments for loans • Other fixed assets • Pension deficit payments • Net Development admin costs • Component replacement costs • Any expected movements in debtors and creditors <p>The Board noted that a satisfactory cash position is achieved and there are no issues with loan covenant compliance. Work is in progress on finalising the annual budget for 2022/23 and will be reported to members in due course.</p> <p>Board members expressed their concerns surrounding the proposed rent increase highlighting that given the ongoing pandemic and financial climate, the detrimental impact it is having on people in relation to living costs. The Executive Director of Housing & Property Services advised members that the Association have considered this, and this is reflected in the proposed increase. The most recent CPI is 5.1% and the Association’s Corporate Plan assumes a rent rise of CPI plus 0.5%. This would equate to a rent increase of 5.6%. The proposal of 4.2% represents CPI LESS 1.4% and is at the lower end of local RSLs. The Executive Director of Housing & Property Services confirmed that the Financial Inclusion Team and Lemon Aid staff would be heavily involved with all tenants to offer support.</p> <p>Board members discussed and highlighted that they have a duty to look after the best interests of the Association and their financial position. The increase in energy pricing and inflation is outwith the Association’s control.</p> <p>The Board of Management noted the content of the report and thereafrer the Chairperson requested a vote on the recommendation of 4.2% rent increase.</p> <p style="text-align: center;">Members For: 13 Members Against: 1</p>	

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5.	<p>The Chairperson confirmed the majority vote to proceed to consultation with tenants on a 4.2% rent increase for 2022/23.</p> <p>The Board of Management remitted the Executive Director of Housing & Property Services to carry out the consultation exercise and report back to the Board on the outcomes to allow consideration of the final rent increase on Thursday 10th February 2022.</p>	Ex Dir H&PS

PRIORITY ORANGE – SECTION 3 – ITEMS TO BE TAKEN, TIME PERMITTING		ACTION
	None.	

PRIORITY GREEN – SECTION 4 – ITEMS FOR INFORMATION ONLY		ACTION
	None.	

The Meeting then closed at 2:20 pm.

	Signature	Date
Approved to Proceed to Chairperson for Sign-Off:		
Approved for Circulation By:		
Proposed By:		
Seconded by:		