

Minutes of the Management Board meeting held on Tuesday 7 November 2023 at 6.00pm at 4 Kinclaven Avenue, Drumchapel, Glasgow G15 7SP. Hybrid meeting using ZOOM Video Communications.

Present: David O'Hara (Chair)
Josephine Barnshaw (Secretary)
Joan McFarlane
Helen Eakin
Elspeth Kerr
Graeme MacIntosh
Karen McKenna
Pauline McNaught
David Riddell

In attendance: Pauline Burke, Director
Jacqueline McGoran, Finance and Corporate Services Manager
Marisa McCarthy, Senior Housing Officer
Alex Gemmell, Senior Maintenance Officer
Caroline Meiklejohn, Housing Officer
David Ampofo, FMD Financial Services

1. Apologies

1.1 Apologies were received from A Kerr, F McLean and K Watt.

2. Declaration of interest

2.1 All Board members declared an interest at item 3.

3. 2024-25 Rent 30 YR Impact report

3.1 D Ampofo presented the impact of the various 2024/25 rent increases on the long-term finances of the Co-operative.

3.2 Board considered the 0% increase in 2021/22 and half Consumer Price Index (CPI) increases in both 2022/23 and 2023/24 and were aware for the rent consultation 2024/25 as per the Business plan assumptions, that October

CPI + 1% would be used. However, inflation remains higher than the Bank of England target of 2% and October's CPI is forecasted to be in the region of 5%. E Kerr asked what the forecast for inflation is for March 2024. D Ampofo advised he could not answer this as this information was not available.

3.3 M McCarthy presented to the Board the results so far of the tenant survey that is currently ongoing regarding what tenants' priorities are. From the 33 responses it was clear that tenants continued to want services to be delivered along with both planned and cyclical programs. In fact, only one return stated they felt that we should not continue our planned maintenance due to rising costs. Affordable homes also remain a priority for both tenants and the Co-operative.

3.4 Discussion took place about keeping rents affordable while at the same time ensuring tenants homes and surrounding areas are maintained and improved. All members agreed it was a very difficult decision due to external factors out with the Co-operative's control such as the continued cost of living crisis and the continuing rising costs for the business.

3.5 J McGoran asked the Board to consider in their decision:

- CPI is forecasted to be around 5% at October but the Co-operative is experiencing higher than inflation increases across all areas of the business. JLL who are experienced within social housing sector have stated they are seeing on average increases of 14% on maintenance and in some cases far greater than the average.
- Arrears have remained fairly consistent despite the cost of living crisis.
- The Board agree a sustainment fund every year which is used to provide help to those tenants in need and supports them through food parcels, energy vouchers etc.in order for tenants to focus on their rent.
- Rent is the only income the Co-operative receives apart from a small HAG award, and it is the rent that ensures the viability of future programs to maintain and improve the stock
- Carbon Neutral Agenda is ongoing, and the Co-operative will need funds to facilitate the outcomes and requirements as decided by the Scottish government.

3.6 Some discussion took place regarding the option of CPI October only, but most members felt the positive impact on cash within the 30 year model of CPI +1% far outweighed the difference in rent charge between the two options.

- 3.7 Some discussion took place amongst Members regarding should the rent consultation go out with more than one option. P Burke advised Board that herself and J McGoran attended Glasgow West of Scotland forum (GWSF) on preparing for the rent consultation, where the advice was to consult on what was right for the business which may mean that only one option is available in the rent consultation process.
- 3.8 D Ampofo confirmed with Board that although October CPI is not known as yet, all indications are that it will be around 5%.
- 3.9 Board agreed that the rent consultation should take place on October CPI + 1%.

4. Any Other Competent Business

- 4.1 J McGoran advised Board that Nationwide are currently offering a 1-year fixed term deposit with a return of 5%. Currently, the Co-operative has funds in both a 35-day saver and a 95 day saver with Nationwide with total funds totalling just over £820k. J McGoran asked Board to approve the transfer of both the 35 & 95 day savers balances to Nationwide's 1 year fixed deposit to benefit from the higher interest rate on offer. Board approved the transfer of both balances to the 1-year fixed deposit.
- 4.2 J McGoran advised Board that cash balances are approximately £2.3 million and FMD had recommended that £400k of surplus cash be invested with RBS 1 year Treasury Reserve Deposit which has a current rate of 4.57%. Board approved the deposit of £400k into RBS 1 year Treasury Reserve Deposit.
- 4.3 J McGoran advised the Board that to enable the Co-operative to issue tenants with the £100 fuel voucher from the funding that was secured from the SFHA Fuel Support Fund, the Co-operative would have to pay a maximum of £2,754 administration costs on the Charis platform. J McGoran advised that the administration costs would need to be deducted from the sustainment fund due to the costs being unbudgeted. Board noted the additional costs and approved the tenant sustainment fund budget to increase to reflect the administration costs of issuing fuel vouchers by a maximum of £2,754.

5. Date of next meeting

- 5.1 The next meeting will take place on Tuesday 5 December 2023 at 6.00pm.

D O'Hara closed the meeting at 6.55pm