

**GOVANHILL HOUSING ASSOCIATION
MINUTES OF MANAGEMENT COMMITTEE MEETING
WEDNESDAY 14th DECEMBER 2022 6.30PM
HYBRID MEETING – ELIM CHURCH AND ONLINE**

PRESENT: John McLardie (Chair)
Cheryl Miller
Ghazala Hakeem
Keith Kintrea
Iain Doherty
Jennifer Cassell
Barbara Robertson

IN ATTENDANCE: John Quinn, Director
Alan McDonald, Head of Development & Property Services (HDPS)
David Robb, Head of Finance & IT (HFIT)
Nicki Bruce, minutes

1. Apologies

Apologies were received from Audrey Flannagan, Elizabeth Klein, Mujeeb Ur-Rehman and Wilma Logan.

2. Declarations of Interest

Jennifer Cassell declared an interest in agenda item 6 Appeal Against Decision of Development & Property Services Sub Committee.

3. Minutes of the Management Committee meeting held on 19th October 2022

Iain Doherty is listed under the apologies but attended the meeting. The minute will be updated to reflect this.

The minutes were proposed by Ghazala Hakeem and seconded by Keith Kintrea.

Matters Arising

Morris & Spottiswood – Are now onsite for CR1 and 3 scaffolds have been put up. The 4th scaffold within the contract will be put up after Christmas.

McGills – The HDPS advised the Association met with the Administrator's Agent regarding MR4 and an amicable discussion followed and the agent will now take instruction.

It was queried what the outcome would be in terms of costs and advised the claim involves an objection to time claim and there is complex administration involved which makes it difficult to predict the outcome.

4. Budget and Rent Increase

The HFIT advised the budget is heavily caveated due to there being so many unknowns at present. Although inflation has decreased today, food inflation has increased and this will be monitored as part of the Association's responsibility to its tenants.

Rent Increase Consultation

Two rent increase figures are presented in the report. One is based on the October CPI figure of inflation +1% which totals 11.1% and the second figure is below the Office of Budgetary Responsibility (OBR) of 7.4 % to allow some flexibility and the suggested figure is 6.75%.

On page 2 of the report, figures have been provided which show how both proposed figures would affect current weekly rents for the Association's various property sizes in terms of £s per week. The graph below this information highlights the income per annum for 0%, 6.75% and 11.1% and provides an indication of the trends and their impact.

The HFIT suggested he could provide a third option of 8% for the consultation if the Management Committee would like this included. The HFIT took a mid point using the 3 bed apartment which with a 6.75% increase is an extra £6.38 per week and if the 8% increase is applied the weekly amount would rise by £1.20 to £7.58 per week.

Committee were asked if they had any comments or queries.

Comments/Questions

A committee member advised they were finding it difficult to make a decision regarding the rent increase as on the one hand the Association needs to keep up with inflation due to the budgetary pressures on the Association in terms of the services it is trying to provide but is aware an increase will force further financial strain upon tenants who are already struggling.

The Director noted that in preparation of the report consideration had been given to the number of tenants on benefits as they will see an increase to their benefit payments. 69.8% of the Association's tenants receive some form of benefits which equates to roughly two thirds of tenants. There is around a third of tenants who work but it is impossible to know what their salary increase will be.

A committee member noted consideration must be given to those not receiving benefits and will not receive a substantial salary increase as they will be heavily impacted by a significant rent increase. It was also noted that the Association cannot do nothing as any money lost cannot be recouped at a later date no matter what happens in the future.

It was queried if more financial support could be given to the 30% of tenants who do not receive benefits. It was suggested something similar to the recently approved scheme of providing Housing Officers with a cash float to assist tenants in need. Or possibly if the Association could offer support on an individual basis by advising these tenants to contact the Association if they require additional financial support. The HFIT advised he would be drawing down funds for the Housing Officer and crisis fund schemes shortly in anticipation of this being required but was not aware of the size of Housing Officer awards that would be available.

A committee member agreed this was a good idea and queried how much the Housing Officers had at their disposal. It was noted this may assist in making the rent increase more palatable to those tenants without access to benefits. It was advised each Housing Officer will be given £500 per annum but was unsure what the crisis fund amount was. The HFIT advised that if Committee directed him to increase the amount, he could multiply the figure by 10.

A committee member noted it was difficult to make a judgement in terms of the 30% receiving salaries without benefits as the Association do not know what their individual circumstances are and any type of means testing would not be available for those in full time employment. This should be considered if a large rent increase was being sought by the Association.

The HDPS also noted in terms of assisting with benefits for salaried tenants, larger sums of money would be subject to greater scrutiny so careful consideration should be applied to this.

A committee member agreed that they liked the idea but this may create problems for the Association in terms of the Scottish Housing Regulator who would be interested in why the Association chose to follow this route.

It was also noted the Association have agreed to commence the rent restructuring process and a large proportion of rents will be decreasing but there will be a lot increasing and it was queried if those affected would mainly be tenants in larger properties. It was advised the tenants most affected by the increase would be those who resided in ex-GHA properties and had been on a low rent scale for a number of years. These tenants would likely experience a sizable rent increase as a result of the rent restructuring process.

It was queried what the average increase would be for a 2 bed property (2 beds are the majority of the Association's stock) and currently it is £87.06 per week. Increasing this by 6.75% would be an extra £5.88 per week and increasing by 11.1% works out at £9.66 per week. It was queried what the increase would be in line with the rent restructure and advised this would be around £50 per month over the next 3-5 years.

It was queried if rather than just consulting on a low and a high figure, further options could be provided. Although inflation is coming down, the rate is still high and it was suggested the 6.75% figure should be the lowest figure for consideration. The 11.1% figure is the base rate for the Association and what the Business Plan is based on. Encapsulated within this are the promises of investment going forward. It was suggested the figures to consult on should be 6.75%, 8% and 11.1% with an explanation to tenants what each figure meant for the Association in terms of improvements being carried out or delayed.

Another member agreed with this suggestion and the inclusion of a mid range figure in the consultation which would give more variety in terms of the 30 year projection. Although the inflation rate has come down food inflation and utility costs are remaining high. It comes down to attempting balancing what the Association want and what the tenants need. If tenants can be given the 3 suggested figures along with an honest appraisal of what they mean for their own personal finances but also what the Association can provide for them as a social landlord.

It was noted that the Association should be mindful that some tenants will be receiving salary increases of between 3% and 5% when considering the consultation figures.

It was agreed food inflation continues to remain high and although electricity prices appear to coming down, gas prices are continuing to rise.

Rent Restructure

The HDPS advised Arneil Johnson previously presented figures to committee in October 2020 in relation to the rent restructure. At that time 70% of tenants would see a decrease in rent and 30% would see an increase in rent. Previously the maximum decrease was £84 and the maximum increase was £173 per year. The HDPS noted that the figures have since changed and now around 9% of tenants would receive a rent increase as a result of the financial situation but this would be over a 5 year period.

Rent Increase Consultation

The figures of 6.75%, 8% and 11.1% were proposed as the figures for inclusion within this year's rent consultation letter to tenants.

The Director noted to committee the Scottish Government (SG) have mentioned possible legislation in relation to rents which they have advised they will update upon in mid January. The Director advised this should not deter the committee and the Regulator have encouraged associations to proceed as normal in terms of rent consultations.

A member noted they had heard from contacts in other associations that if the SG do set a figure it will likely be below the UK Government figure of 7% which would not be too far away from the 6.75% figure being proposed by committee.

It was also noted that information provided in the letter being sent to tenants regarding the consultation should be very clear in terms of the implications to the Association at each of the 3 levels offered. It should be made clear that if a lower level of rent increase is agreed this year it will likely result in higher rent increases in the future to compensate for the lack of income. The Association would then be behind on the impact the Association can make in tenants homes as it will also impact on the levels of repairs that can be carried out in tenants homes as there is less money available.

It was noted the letter accompanying the consultation should be drafted before Christmas to ensure the wording is clear.

GWSF have been issuing updates regarding association's decisions regarding their rent consultation figures and some are waiting until the middle of January and the SG announcement before issuing their rent consultations. Many of those who have taken part are looking at increase figures between 3% and 9% which would mean the Association would fall within these figures.

The HFIT noted the approval sought for individual spending requests, the budget, the commercial tenant rent increase consultation figure and the services charges and supported accommodation rate consultation figure.

The Management Committee advised they approved these.

The Management Committee approved to consult with tenants on 6.75%, 8% and 11.1% in the rent consultation letter to be issued to tenants in the new year.

The Management Committee approved the individual spending requests noted within the report.

The Management Committee approved the budget.

The Management Committee agreed to consult on increasing commercial tenant rents to 10.1%.

The Management Committee agreed to consult increase service charges and supported accommodation rates in line with the general rent increase.

5. Information Report

The HDPS advised he was presenting the report on behalf of the Head of Corporate Services & HR (HCSHR) who has given apologies for this evening's meeting.

There is one correction to the report at item 2.6 where it refers to 0.009% but should read 0.09% in relation to Factoring complaints received.

Chris Mochan has left the Association to take up a similar role with Strathclyde University and Saqib from the Housing Services team has taken over the role on a temporary basis until the end of March 2023.

The Management Committee noted the contents of the report.

It was suggested that as Jen Cassell is required to leave the meeting for item 6 that they could jump ahead to the minutes of previous meetings to allow her, as Chair of the Development & Property Services Sub, to take part in discussions regarding the minutes of the Special Development & Property Services meeting in November which she was unable to attend.

8.6 Minutes of Special Development & Property Services meeting held on 18 November 2022

The Director advised this meeting was called at short notice and the Chair had not been able to attend and outlined the reasons for the meeting.

The first was to accept a tender for Phase 1 of Annette Street and the second was a request to market test with the procured framework contractors for proposed Windows Contract 12.

The sub committee approved these requests at the meeting.

It was queried if the D&P Chair was happy with the minutes but will review them again and contact the HDPS if she has any questions.

Jennifer Cassell left the meeting at 7:30pm.

6. Appeal against Decision of Development & Property Sub-Committee, Compensation Request, Tenant Reference Number [REDACTED]

[REDACTED]

7. Minutes of Sub-Committees – For Information

F&GP meeting held on 17 August 2022

GCDT meeting held on 7 September 2022

Tenancy Services meeting held on 8 September 2022

Development & Property Services meeting held on 13 October 2022

F&GP meeting held on 9 November 2022

Special Development & Property Services held on 18 November 2022

The minutes of the Sub Committees were noted.

7. Report Back from Other Organisations

Employers in Voluntary Housing (EVH)

John McLardie advised the next JNC meeting and meeting of the executive are in the new year. EVH will be closed over Christmas and New year.

John McLardie noted that a second committee representative is required for EVH.

Glasgow & West of Scotland Forum (GWSF)

John McLardie advised the Association do not have a committee representative for the GWSF group. Emails from David Bookbinder of GWSF continue to be shared to the Management Committee for information.

SHARE

SHARE have appointed a Finance Officer.

8. Documents for Execution

None

9. Correspondence

Scottish Social Housing Charter

It was queried if there were any significant changes within the document and the HDPS advised there were no significant changes within the document but the HCSHR has highlighted the changes. The main change is in relation to equalities.

Letter from the Scottish Housing Regulator (SHR)

The Director advised the letter is asking all governing bodies/ committees to consider they have systems in place to ensure tenants homes are not affected by mould and dampness and they have a fully proactive system to identify and deal with any reported cases timeously and effectively. The letter relates to the recent case in Rochdale.

The HDPS is currently gathering the required information which will be presented to Management Committee at a future meeting to assure the committee and the regulator there are systems in place to deal with this issue.

The HDPS advised he attended a webinar yesterday run by CIH regarding this issue and noted one of the most concerning things discussed was the pressure about associations duty to reasonably occupy your home in Scotland to the Tenancy Agreement, which includes keeping it habitable and heated. And if you don't heat it, to ensure it is ventilated. South of the border they believe it is the association's responsibility to fix any issues resulting from damp. It appears that the regulator has taken a more appropriate stance on the issue.

It was assumed the Association were not aware of any endemic or persistent issues with mould or dampness in our properties and the HDPS advised there was a handful of ongoing cases at different levels of dispute. One concerned an issue with a tenant not allowing the Association access to rectify issues and another was at a high level of investigation to try and find the cause and how to rectify the issue. One case involved a tenant not allowing access for around 2-2.5 years but they have now been moved out of the home to allow the Association to rectify the issues. The HDPS advised he will present a report regarding this once all the information has been gathered.

The Management Committee noted the correspondence presented.

10. A.O.C.B.

SHAPS Committee Session

John McLardie advised the session will take place in January which John will be attending. John advised they will not be making any deficit payments for the foreseeable future which is a positive for the Association.

Tenancy Services Christmas Event

The Director advised a very successful event had taken place recently in Elim Church which was well attended by over 200 people and the Director extended his thanks to the team for arranging this.

Front Office Update

Budget costs for the proposals have been received and the Senior Management Team (SMT) believe the Association is not in a position to proceed with the proposal given the costs total £130k on top of the ventilation costs. The ventilation plans are now being scoped out in detail with a likely a start date of February/March next year.

Alterations to the Reception desk are now being looked at and have contacted the original company who provided the Reception desk but have not yet received a response. Further updates will be provided to the Development & Property Sub Committee followed by an update to the Management Committee.

Request for Regrading

Current Cold Weather Conditions

The HDPS advised the team have been extremely busy with callouts regarding boiler breakdowns and noted the gas contractor used by the Association which deals with Glasgow city wide had a backlog of 150 no heats yesterday and today it stands at 1500.

The main issue is a problem with condensate pipes which had frozen in the cold temperatures which then prevents boilers working. Currently the Association is dealing with 76 cases of this.

There are also 26 emergencies which are active with Mears at present and relate to issues from frost and no heats. There are a number of burst pipes and the Association have managed to contain everyone and keep tenants in their homes but the Association have set aside 2 properties as possible decant flats in case they are needed. There have also been 2 cases of serious water escape on Friday and Monday. There is also an issue at Bankhall Street with a dislodged soil stack. There are 2 other properties with isolated issues with their WCs going out to the stack which has caused no toilet facilities. Luckily arrangements have been made with neighbours to share toilet facilities.

There is also an issue with sure-stop valves in some properties. It was noted many of these issues are very widespread due to the current cold weather conditions. The HDPS wished to thank his team for their hard work during this very busy period.

11. Date of Next Meetings

1st March 2023 at 6.30pm

The meeting closed at 8.10pm