

ROSEHILL HOUSING CO-OPERATIVE LIMITED

**MINUTES OF SPECIAL MANAGEMENT COMMITTEE MEETING HELD ON
WEDNESDAY 9TH NOVEMBER 2022 AT 5.30PM**

M

Present: K Stevenson (Chair)
P McCann (Vice Chair)
N Finlayson
S Bannerman
H McLatchie
K Devaney
K Leitch

i

In Attendance: G Mogan (Director)
A Stewart (Finance Manager)
S Hunter (Technical Services Manager)
S Quinn (Housing Services Manager)
A Innes (Corporate Services & HR Manager)
K McCallum (Customer Services Officer)

n

1. Apologies

Apologies for absence were received from J Thomson. It was noted that A Claffey has been granted Special Leave.

u

2. Declaration of Interest

None.

3. 30 Year Financial Projections

A Stewart led Committee through the projections and it was noted that the combination of high inflation and a 40-50% increase in planned maintenance costs will put Committee in a difficult position when deciding upon next year's rent increase. Committee noted that the reactive repair costs are more accurate, which are below the sector average. Cyclical maintenance costs have been firmed up since the Committee papers were issued last week and are significantly lower than those included within the report. As a result of this and the fact that Rosehill has always been prudent in the past means the position is not as bad as it could have been.

t

Committee noted the various "savings" in the base model including the removal of new build; removal of ad-hoc acquisitions and reversing Committee's decision to self fund adaptations.

e

A Committee Member asked what would happen if planned works needs to be put on hold. S Hunter confirmed that regular stock condition surveys means that certain components may be able to survive longer, and if any issues are highlighted in a certain property this would be assessed on a case by case basis, and an ad-hoc replacement arranged if necessary.

s

A Committee Member asked if these projections mean that no planned maintenance has been put on hold yet. S Hunter confirmed this is the case, however Committee may need to decide whether or not to proceed with a contract based on the tender returns are received/actual costs are known.

It was further noted that loans remain low which is in favour of Rosehill and projections are still prudent, however it was acknowledged that the economy remains uncertain, Committee may need to make a decision in future years to increase rents over inflation in order to recoup funds.

It was agreed that the projections will be updated once Committee make their decision on the rent increase.

Committee considered the contents of the projections and agreed to adopt them subject to the cyclical maintenance costs being updated. Committee also agreed that the self-funding of stage 3 adaptations be reinstated. The provision for major repairs is increased to £100k per annum and the Housing Assistants' estate improvement budgets be reinstated.

4. Annual Rent Review

Committee noted the contents of the report and in particular:

- For several years Rosehill has capped rent increases to inflation only and in the last 2 years in response to the financial hardship caused by Covid-19 applied below inflation increases;
- Our rents on average are lower than the other neighbouring landlords and are amongst the lowest in Scotland.
- Whilst we don't currently have access to the SFHA/HouseMark affordability tool, previously our rents were deemed to be affordable with the exception of one of the 2 apt rents for a particular household type which was just going into the amber level.
- Scottish Government will consider the outcome of RSL consultations before making their final decision in January about whether to extend the rent freeze after 31/3/22 or even introduce a rent cap. This information will be collated by GWSF who will then submit it to Scottish Government

It was noted that Committee were being asked to consider the information provided and put forward a proposal for tenant consultation.

Committee discussed the matter in detail, taking into consideration the current economic crisis and also the increased costs to Rosehill including the cost of materials. It was also noted that planned maintenance works could be postponed if costs were too high.

A Committee Member stated in the projections, 5% was used and Rosehill continued to show a positive balance, and asked if this figure was used would it be difficult to operate. A Stewart advised that Committee need to make the best decision for the time with the information available, however the projections would be monitored closely.

It was noted that Committee needs to balance the business and social responsibilities and how this is presented to members is paramount.

M
i
n
u
t
e
s

A Committee Member asked if it is known how much rent comes from benefits. A Stewart confirmed that 54% of rents come direct from Housing Benefit or Universal Credit, however the actual figure will be higher with some tenants receiving their benefits direct. It was also confirmed that benefits would increase to cover any increase.

A Committee Member asked what would happen if the proposed rent increase is rejected by the tenants during consultation. G Mogan advised it is essential that our consultation methods are effective to ensure as much engagement with tenants as possible. To assist with this the Scrutiny Panel has been asked to consider how best to engage with our tenants on the rent increase and make recommendations. The aim is to ensure that tenants have an effective platform for asking questions and expressing their views and to hear how and why Committee has reached its decision.

After further consideration, Committee agreed to propose a rent increase of 5% which is a below inflation increase of 5.1% based on September CPI of 10.1% This was approved for tenant consultation, and Committee would make their final decision at the January meeting, following consideration of the consultation outcome.

S Quinn advised that the Scrutiny Panel have started their discussions already and are asking appropriate questions, and have suggested reaching out to local groups as part of the consultation e.g. breakfast club.

Committee advised that they are also willing to attend any sessions in order to put across their decision/proposal.

G Mogan advised that to give the Scrutiny Panel time to consider consultation methods and make recommendations, it is intended to commence consultation in early December. It was agreed that the consultation documentation would be presented at the main November Committee meeting for consideration and approval.

5. Any Other Competent Business

None.

6. Date of Next Meeting

The next meeting of the Management Committee will be held on Wednesday 30th November 2022 at 6pm.

I certify that this minute was approved as a true and accurate record of the meeting.

Signed: _____

Date: _____

(Chair)

M
i
n
u
t
e
s