

Minutes of the Management Board meeting held on Tuesday 12 November 2024 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 (Vice Chair)
Helen Eakin
Jean Forbes
Elspeth Kerr
Graeme MacIntosh
Karen McKenna
Pauline McNaught
Vincent Ogar
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
Chantelle Devlin, Assistant Maintenance Officer
Saffron Walker, Receptionist/ Admin Assistant
David Ampofo, FMD Financial Services

1. Apologies

1.1 Apologies were received from A Kerr and F McLean.

2. Declaration of interest

2.1 All Board members declared an interest at item 3.

3. 2025-26 Rent 30 YR Impact report

3.1 D Ampofo presented the impact of the various 2025/26 rent increases contained within the body of the report on the long-term finances of the Co-

operative and advised Board it is essential that the Co-operative considers the impact that changes in its rental income and costs has on its long-term finances

- 3.2 D Ampofo advised that the 30 Year long term financial forecast used for the scenarios provided for 2025/26 rent increases were based on the recent May 2024 Scottish Housing Regulator Five Year Plan submission model but with subsequent revisions as noted in the report.
- 3.3 The overall impact of these revisions is that Cash at Year 30 has fallen to **£1.698M** instead of May 2024's £3.374M – a drop in cash of around **(£1.676M)** based on the base model of CPI (Oct) increase only. The main reason being higher staff costs, part of which is the recently announced increase in national insurance rates.
- 3.4 Board were reminded that the rent increase for 2023/24 agreed was 5.55% - half of October 2022's CPI inflation figure of 11.1%. This had the adverse effect of almost halving cash in the 30-year model from £10.5M to £5.5M. Previous to this Board had approved for 2022/23 a half CPI rent increase following on from a rent freeze the previous year. Board had approved CPI+1% increase (5.6%) for 2024/25 rent to improve cash balances but the legacy of below inflation rent increases on cash balances is still ongoing.
- 3.5 D Ampofo advised that out of all the scenarios provided, scenario 2 (CPI+1.75%) was the scenario that brings the cash position most in line with May 2024 model. V Ogar queried the CPI rate used of 2.5% when the last known CPI rate was 1.7% (Sept 24) and was advised by D Ampofo that this is the rate the Bank of England are forecasting for October's CPI. G MacIntosh asked if CPI +1.75% was through the whole 30 year model and was advised that this only applies to next year and future years remain at base rate of CPI only.
- 3.6 Lengthy discussions took place about keeping rents affordable while at the same time ensuring tenants homes and surrounding areas continue to be maintained and improved since the Co-operative continues to experience costs rising far higher than inflation with examples given of insurance costs increasing by over 250% in the last two years and ground maintenance costs increasing by nearly 50%. 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 for tenants and the continuing rising costs for the business.
- 3.7 E Kerr discussed the impact the cost of living crisis continues to have on tenants and the difficult financial decisions she feels tenants are having to

make due to this. Board agreed times were difficult, particularly with the high costs of food and utilities. Board acknowledged that by having a sustainment fund, a food pantry and providing Welfare Rights surgeries to maximise tenants income whilst applying for any available funding the Co-operative were doing what they could to support tenants in the current economic climate.

- 3.8 Some discussion took place amongst Members regarding should the rent consultation go out with more than one option. P Burke reminded Board that last year only one option was offered, the reason being that the rent consultation is based on what is right for the business. P Burke advised that Glasgow West of Scotland forum (GWSF) is currently carrying out a survey on rent consultation proposals for 2025/26 and out of the 13 responses so far 10 organisations were consulting on one option only.
- 3.9 K McKenna asked if the decision was made to consult on Scenario 2 (CPI + 1.75%), depending on the results of the rent consultation could the Board lower the rent increase. Board noted that annual rental increases are decided by the Board, however consideration needs to be given to the outcome of the Tenant Consultation and the financial impact of any such decisions not only in the short term but the long term and in particular the impact on the liquidity of the business.
- 3.10 After a lengthy discussion, Scenario 2 (October CPI +1.75%) by a show of hands, was what was agreed for the rent consultation for 2025/26.

4. Any Other Competent Business

- 4.1 There was no other competent business.

5. Date of next meeting

- 5.1 The next meeting will take place on Tuesday 3 December 2024 at 6pm.

D O'Hara closed the meeting at 7.05pm