

CRAIGDALE HOUSING ASSOCIATION LIMITED					
REPORT TO: BOARD OF MANAGEMENT					
MEETING DATE: MONDAY 29TH JANUARY 2024					
AGENDA ITEM:		4C	MINUTES OF PREVIOUS MEETINGS: APPROVAL OF MINUTES OF BOARD MEETING – 22.01.24		
Status:	Confidential		For:	Approval	✓
	Non-Confidential	✓		Discussion	
				Noting	

CRAIGDALE HOUSING ASSOCIATION LIMITED MINUTE OF BOARD MEETING HELD ON MONDAY 22ND JANUARY 2024 AT 6.00 PM

PRESENT:

Des Phee	Chairperson
Claire Taylor	Treasurer
Stephen Baxter	Secretary
Kevin Boyle	Board Member
Stephen Kelly	Board Member

IN ATTENDANCE:

Linda Chelton	Chief Executive Officer (CEO)	
Frances Cunningham	Corporate Manager (CM)	
Fettes McDonald	FMD Financial Services	Left Meeting at 6.40pm

1. Apologies for Absence

Apologies were tendered on behalf of Morag Cameron (Board Member), Lucy Madigan (Board Member), Hilary Tennant (Board Member), Louise Bacon (Vice Chair) and Christine McCormack (Board Member).

Leave of Absence: None.

Absent: None.

2. Chairperson’s Remarks

The Chair welcomed everyone to tonight’s meeting.

3. Declaration of Interest

There was no declaration of interest declared.

4. **Draft Budget 2024/25**

F McDonald advised that the purpose of the draft annual budget is to provide members with details of the expected financial position of CHA for 2024/25 based on the main assumptions employed. The information contained within the budget was provided by and discussed with staff members.

The starting position at 1st April 2024 is based on the annual budget for 2023/24 with changes to reflect the actual results to March 2023 and higher component spend in 2023/24.

Following discussion and agreement any changes to the draft budget will be updated and shall be presented to members for approval prior to the start of the financial year.

The draft budget for the year indicates a projected surplus of around £244k. As always, the projected outturn will depend on the assumptions employed and any changes in the assumptions will result in a change to the expected position.

Main Assumptions

- Rent rise of 6.5%
- Voids of 0.5%
- Bad debts at 0.5%
- Salaries increase by 5% plus increments where applicable
- Overall maintenance provision of £594k
- Medical adaptations £18k
- Loan interest rates pre margin at rate of 5.25%
- New build costs of £192k (all hag funded)
- Component replacement costs of £196k
- Spend on other fixed assets £20k
- Gross rent arrears of 3.5%
- Loan capital repaid of £172k
- Pension deficit payment of £nil

Overall surplus for year of £244k.

The cash position at April 2024 is projected at £2.120m with the balance increasing to £2.2m by March 2025. This remains a relatively strong position.

Based on the draft budget loan covenant compliance is achieved with headroom of £222k.

Staff costs as a % of turnover and rent ratios continue to show positive outturns. Reactive maintenance cost ratios show a large increase (58%) compared to the March 2023 results.

Updates to the long-term projections shall be carried out in the final quarter of 2024/25 following receipt of updated long term maintenance projections and these shall form the basis of the 5-year budget submission to SHR.

- The Chair mentioned that there are no concerns with the loan covenants.
- The Chair asked if there were any costs available in relation to the lofts. The CEO advised that costs so far have been approx. £3.5k. Alan has been checking the loft spaces to assess damages and so far, some of the properties have the membrane fitted

and some do not and some only require a new loft hatch. To rectify the fault the Phase 1 & Phase 2 may have to be pushed back.

The Board noted and approved the first draft of the Budget 2024/25.

5. Rent Consultation

The CEO advised that the purpose of this report is for the Board to consider options for the 2024/25 rent increase.

The CEO highlighted the main findings from the rent consultation survey.

- It was explained to tenants that Craigdale has considered what they need to keep rents affordable, costs of services and delivering tenants priorities. This year the Board have agreed to a 6.6% increase to enable the service to run and improvements to be made to the existing stock. When asked for comments on the proposed increase. The most common themes to the comments were that the rent increase is too high or expensive (26%) followed by there is nothing we can do about the increase/ doesn't matter what we say it will go up anyway (19%).
- In terms of affordability 40% felt their rent payment was fairly easy to afford, 47% stated that they were just about affordable and 13% stated that they were difficult to afford.
- In terms of fuel payments, 16% said they were very or fairly easy to afford, 29% said they are just about affordable and 56% said they are very or fairly difficult to afford.
- Almost three in 10 respondents (29%) receive full housing benefit, 16% have their full housing costs covered by the housing element of Universal Credit, 17% receive partial housing benefit or have partial housing costs covered by the housing element of Universal Credit and 39% of tenants do not receive any assistance with their rent payments.
- C Taylor is there any tenants who will find themselves have to apply for UC or any other benefit due to the rent increase, as the increase may just push them into that bracket. The CEO will ask our Welfare Rights Officer in the morning and will report the answer next week.
- K Boyle thought that Claire's question was a good question. He mentioned in relation to fuel poverty. That his organisation has number of flats where they cannot fit gas and are having to install electric heating and they are seeing a rise in tenants struggling more with fuel poverty when we come to install electric heating.
- CEO advised that she is heard of an organisation where they have air sourced pump heating that are yet 10 years old that are needing repaired as there are not enough Companies that can repair or service this product.
- S Baxter agreed that they have heard that RSLs are struggling to get Companies to fix or service air sourced pump.

The Board noted the content and approved a rent increase of 6.6% for the period 2024/25. Rent Increase letters will be issued to tenants in due course and preparation of increase will be forwarded onto Housing Benefit. The rent increase within the draft budget 2024/25 will be amended from 6.5% to 6.6%.

6. Correspondence

The CM advised that she had no correspondence for tonight's meeting.

7. Any Other Competent Business

The Chair asked if anyone had any other competent business for discussion.

- a) Board Meeting: Monday 29th January 2024 at 6.00pm – The CEO highlighted that next weeks Board meeting Agenda is fairly light and that we had also received some apologies for next week as well, would the Board be happy hold this meeting via Zoom.

The Board agreed to hold the Board Meeting of Monday 29th January 2024 at 6.00pm viz Zoom.

- b) Board Meeting – Budget: The CEO highlighted that the CM had a discussion with FMD this morning about the budget meeting did they prefer a separate meeting for the budget. FMD were happy for the budget to be included in the January month end meeting which would save having two meetings.

The Board agreed to merge the Budget meeting with the January Month end meeting next January 2025.

8. Date of Next Meeting

Board Meeting: Monday 29th January 2024 at 6.00pm (Board Meeting)

The meeting concluded at 6.35 pm

Minute Signed by Chairperson: _____