

**Cernach Housing Association**  
**Minute of special meeting of Management Committee**  
**Thursday 9 November 2023 at 6.00pm in the**  
**boardroom**



**Ag3.2**

**1. Present and apologies**

A Biddell (Chair)	J Brannan
S McDonald MBE	M Mellon
R McGill	S Brannan

**In attendance**

C Jardine	P Baylis	P Long (FMD)
E McShane	K Dyson	F McDonald (FMD)
L Cuthbertson	C McLellan	A Kyle
J Allan	K Young	T Oke
L Crawford		

**Minute taker**

L Crawford

- 1.1 Apologies were received from F John, C Love, T Bowie, J McFarlane and M Dabek.

**Noted**

**2. Declaration of interest**

- 2.1 There were no declarations of interest.

**Noted**

**3. Rent review 2024/25**

- 3.1 P Baylis presented the rent review cover report, which outlined our considerations, operating environment and subsequent analysis for the rent increase in 2024/25. She recapped on the process for last year, which was the first special meeting with both staff and Committee considering rents only.
- 3.2 P Baylis advised Committee that preferred rent consultation options can either be agreed at this meeting or at our next meeting on 7 December. This will be led by natural consensus within the Committee.
- 3.3 She advised that last year inflation (CPI) was running at 10.1%, with an indication that CPI would continue to rise and operating costs would continue beyond inflation. Since a peak in inflation figures in October 2022, it is now coming down slowly, with the latest figure is sitting at 6.7%. Some forecasters are predicting that it is likely to remain around this level, with further increases

less likely whilst others are anticipating a sharp reduction when the latest figure is released (the week after the Committee meeting).

3.4 FMD provided a presentation on our current financial environment and the biggest changes from last year's meeting, which should be considered when making a decision. Overall, the biggest consideration is around major repairs costs.

3.5 Committee and staff had a lengthy and detailed discussion reflecting on the information presented. This discussion included commentary around the following:

- Committee discussed ongoing concerns about the cost-of-living crisis, with any rent increase being difficult for tenants and the need to have a balance and consistent approach, similar to previous years.
- Committee discussed the impact of each 1% of an increase in terms of financial impact on tenants as well as the compound effect on the Association in the longer term and, therefore, the possible impact on services.
- Committee discussed the challenges around the uncertainty of EESSH2 and the need to maintain the Association's stock whilst balancing this with current pressures on tenants.
- Committee noted the unpredictability of CPI rates and how this will impact future rent increases, including consideration of rent increases above inflation in future years.
- Committee also discussed potential outputs from the forthcoming stock condition survey and how this could impact future major repairs costs across the thirty-year plan.

3.6 Overall, Committee agreed to consider the information presented further and to continue this discussion at the meeting on 7 December, where they would make a final decision on consultation options, at which point we will know the October 2023 CPI and have more information from the stock condition survey.

#### **4. Date and time of next meeting**

4.1 The next scheduled meeting will be on **Thursday 7 December 2023** at 6.00pm.

Chair: ..... Date: ... ..