

Virtual meeting held on Monday 20 December 2021 at 10am

Present: J Knowles, Chair
J Fraser, Vice Chair

In Attendance: H Gauld, Chief Executive
L Macfarlan, Director of Finance and Corporate Services
J Sutherland, Director of Housing

Apologies: M Ballance, Director of Property

1. Proposed Rental Increase 2022-2023

The meeting had delegated authority from the Board of Management (see minute of 15 December 2021) to agree an in principle rental increase for financial year 2022-2023.

Lengthy discussion ensued with robust questioning on the previously distributed report which suggested options that would allow affordability to be the main driver but would deliver a prudent budget that could accommodate unexpected changes to inflation rates, material prices, etc. The report summarised the proposed rental increase options for one bed properties and bedsits in Aberdeen, one bed and bedsits elsewhere, two beds and three beds and larger across all geographical areas of operation. All had been calculated using average rent levels and a living wage and met the criteria for affordability set out in the Association's Rent and Service Charge Setting Policy. The increases also took account of the rent cap of £20.00 per month which had been agreed for the rent harmonisation exercise. April 2022 will be the third year of this programme. Office Bearers noted the basis of the calculations did not and could not, due to the complexity of including other factors, include items such as household bills, council tax, etc. With regard to the latter, it was noted tenants on Housing Benefit and Universal Credit, approximately 66% of all tenants, would receive assistance with meeting their council tax payments as part of their benefits.

The basis of the calculations for each of the rental increases was provided by the Director of Housing, as was the rationale for there being no change to the original proposals presented for the rent increase for 2 bed properties. The Association is currently experiencing difficulties in letting two bed properties in Aberdeen City, Aberdeenshire and in Moray. Taking this into consideration it was felt prudent not to apply any additional increase to the 2.3% proposed.

Discussion turned to the consultation and the information which would be communicated to tenants including that properties with three bedrooms + are lower than the Association's housing association's peer group in the North East showing a positive message.

It was further suggested tenants should also be made aware of the Association's ability to carry out additional works with the additional income generated from a higher increase

It was confirmed the consultation would set out the proposal to apply a variable rental increase with tenants being provided with information directly related to the size of their property and their increase. To ensure openness and transparency all tenants would be provided with a link to the website and Facebook which would provide detail of the full consultation. The Association would provide assistance to vulnerable tenants and those requiring support to access the information on either platform.

There was further brief discussion on the rental increase applied to three bed and larger properties and whether consideration had been given to it being 3.5% rather than 4%. Officer Bearers noted and accepted a 3.5% increase would not provide as much additional income as the higher 4% increase.

Office Bearers, noting the proposed increases, approved in principle the proposed rental increase options as follows:

	Option 1	Option 2
One bed and bedsits, Aberdeen	1.7%	2.7%
One bed and bedsits elsewhere	2.3%	3.3%
Two beds	2.3%	3.3%
Three beds and larger	4.0%	5.0%