

BOARD MINUTES

MINUTES OF	:	Special Board of Management Meeting
TIME & DATE HELD	:	9th September 2025
DATE APPROVED	:	7th October 2025

BOARD MEMBERS	:	Elizabeth Battersby, Kieran Agnew, Grace Barbour, Brian Barclay, Rae Connelly, Tracey Kernahan, Irene McGinnes, Ania Ostrowska, Ross Ramsay, Eddie Roberston and Janice Saunders
APOLOGIES	:	Gillian Johnston and Linda Sichi
STAFF PRESENT	:	Tony Teasdale (CEO) Kirsty Brown (DFCS) Craig Russell (DCCS)
IN ATTENDANCE	:	None

1. Apologies

Apologies were as noted as above.

2. Declarations of Interest

As SHA tenants, Grace Barbour, Tracey Kernahan and Janice Saunders declared an interest. During the course of the meeting Elizabeth Battersby, Irene McGinnes and Ania Ostrowska also declared their interests, as factored owners in receipt of environmental services provided by the Association. In accordance with usual practice however it was agreed that this should not prevent them from taking part in the discussion on these issues.

3. Rent Policy Review: objectives and progress update

Members noted the content of the report from the CEO. This provided background information including a summary of decisions taken at recent Board meetings.

The Board noted progress to date against the previously agreed timetable for the rent restructure process, and in particular:

- That work was ongoing, but behind schedule, to review the property data base to ensure that accurate information is held about each existing home. The main information was now close to completion.
- The initial survey of tenants' views had now been carried out. This had asked questions about the factors that should be taken into account in rent setting and whether existing services should continue to be provided. Tenants had been contacted via text, e-mail and in some cases telephone or post.
- A Tenant Forum meeting had been held on 28th August to share and discuss survey feedback.

It was noted that only 391 tenants (16% of total) had responded. However it was clear that many of these had taken time to provide detailed and useful comments.

Members noted the feedback received, as per the Knowledge Partnership report:

- There was clear agreement that the following factors should be taken into account in rent setting: Number of bedrooms (86% agreed); Energy efficiency (75%); age of the home (73%); whether there is a garden (66%) and overall amount of space in the home (62%).
- The overall ranking of property types in terms of which should have the highest rent was as follows: 1. Detached houses 2. Semi-detached houses and end terraces. 3. Mid-terrace houses. 4. Maisonettes: 5. Four in a block flats. 6. Tenement flats.
- There was general agreement that the Association should continue to provide the following care-taking /environmental services: Bulk Uplift (83% agreed); Back-court maintenance (79.5%); Grass-cutting/ common landscaping (79%) and close cleaning (68%).

However, many people had taken the opportunity to make individual comments and the Board noted and discussed these, with a range of issues and concerns highlighted. In particular:

- Concerns were highlighted by a number of tenants living in older property about the general condition and environment of the home, as well as a need for e.g. kitchen replacements. It was agreed that the Association should continue to look to address these concerns through the ongoing investment programme and let tenants know what future plans are in place.
- There were a lot of comments about the quality, timing and perceived value for money of care-taking services being delivered by Upkeep – and in particular the close-cleaning service. It was agreed that there was an urgent need to review the delivery of these services and that the Association should not be looking to increase charges until this was complete.

It was noted that 122 respondents had asked for follow-up contact with the Association and this was being organised.

Members also noted the feedback from the Tenant Forum meeting, by the DCCS (and endorsed by Board member Janice Saunders who had also attended). There had been broad support for a harmonisation of the rent structure and of the proposed factors for inclusion in future rent-setting. Again, there had been much discussion about estate caretaking services.

Having regard to all, of the above **the Board then considered and approved that the objectives for the rent policy review should be as follows:**

- To develop a single, harmonised rent structure for all properties.
- For this new structure to continue to reflect key property differentials but to be simpler and easier to understand than the existing arrangements.
- To ensure that future rental income is maintained as per the Business Plan but for that same income to be generated across the properties in a fairer, more consistent manner.
- To minimise the disruptiveness of this process by ensuring that as far as possible the new rent levels do not vary significantly from those that have been set under the 2015 Policy (and which now apply to over half of our tenants).
- To continue to ensure that rent affordability and comparability with other social landlord rent levels are taken into account.

- To have regard to the fact that some tenants will see a significant increase in their rent as a result of the restructure; provide necessary advice and support as appropriate and make arrangements for such increases to be phased over a reasonable period of time.
- In order to allow this phasing of significant rent increases, also provide for any significant rent reductions to be delivered through restricted annual rent rises or freezing of existing rents for a period of years, rather than through a one-off cut.

4. **Proposals for a harmonised rent structure**

Members noted the content of the report from the CEO who also presented background information about SHA's housing stock, current rents and how these compare with sector averages; and tenant views on value for money and how easy it is to heat their home. See **Appendix 1**.

There was then discussion about the proposals for the new structure. It was noted that further modelling work and refinement would be required in the lead up to the final decisions that would be sought from the Board in November – prior to tenant consultation. As such only in-principle decisions were being sought at this point.

4.1 **Base rents**

Clarification was provided about the existing base rents within the 2015 rent structure. It was agreed that there should be a significant reduction in the number of these so that they only relate to apartment size, and not also age of property. Also that there should no longer be an assumption about the type of kitchen applicable to each apartment size.

It was also noted that, with all properties now having central heating and double glazing, that the base rents should be uplifted as standard by the combined 15% differential that used to be applied only to those properties with those features.

It was also no longer the case that most 2 apartment properties have only internal kitchenettes, as was previously assumed: a throwback to when the stock was predominantly sandstone tenements. It was agreed that the base rent for this size of property should therefore be uplifted somewhat to reflect this fact, whilst also having regard to the objective of not increasing the relative value of 2 apartment rents.

At this stage therefore it was envisaged that base rents would be as follows:

Property size	Proposed base rent (£s)	Current "standard" base rent for post 2025 tenancies. (£s)
1apt	3597	3441
2apt	4500	3898
3apt	4789	4164
4apt	5029	4373
5apt	5283	4594
6apt	5413	4707
7apt	5684	4943

4.2 Build date

Although it was proposed to remove the two separate base rents for newer homes it was still proposed to reflect the relative age, and in particular the energy efficiency, of respective properties by applying a significant % differential uplift for post-2005 new build properties.

It was noted that:

- There had been a general increase in building energy efficiency after 2005 due to changes in the Building Standards.
- Rents for our post 2005 properties are already set at a significantly higher level than other SHA homes, through the application of existing base rents.
- The 2023 tenant energy survey indicated that those living in these properties usually found their homes easiest to heat. A Member who lives in a property built during this period commented on his own experience and his relatively low fuel bills. He also highlighted however that his flat has triple glazing and faces south.

However, the Board then noted and discussed the challenges in accurately assessing the energy efficiency of different types of properties, the limited value of the EPC measurement for this purpose and the difficulties in making general assumptions about the level of fuel bills.

It was noted that sandstone tenements, whilst generally felt to perform relatively poorly in energy terms did benefit from the thermal “mass” of the stonework/thickness of walls. Most inter-war tenement properties had been over-clad following stock transfer as part of refurb work and this would have improved energy efficiency levels.

After discussion it was agreed that:

- Post-2005 properties should continue to have higher rents set, with a differential of at least plus 20% to be applied. However, this to be not primarily on the basis of energy efficiency but more generally because of the relative age, condition and attractiveness of such homes.
- Further work will be done to determine the actual % add-on with regard to be given to maintaining existing rent differentials and seeking to ensure the financial viability of future new build development proposals. The Board was also reminded of the in-principle decision taken at the August Board meeting regarding the ending of existing landscaping service charges and that most post-2005 properties were amongst the small minority of properties currently paying such a charge.
- More consideration will be given as to any other differential to be applied to homes that enjoy a particularly high standard of energy efficiency e.g. Passivhaus and/or where retro-fit investment is likely to generate real energy savings.
- Further consideration also to be given as to whether a deduction should be applied to ground floor tenement properties, without suspended floors and under-floor insulation, as these are felt to generally perform relatively poorly in energy terms.

4.3 Kitchen type

With the vast majority of properties now having a “galley” type kitchen it was agreed that only the following differentials should be applied (to all property sizes) in the new structure:

- Small kitchen space: a 5% reduction for both traditional internal kitchenettes or reduced space breakfast-bar type arrangements.

- Dining kitchen: a 2.5% standard add-on for any property with a kitchen that someone can sit in.

4.4 Dwelling type

It was agreed that:

- The existing % add-ons should be retained for different types of houses; cottage flats and maisonettes compared with tenement flats.
- The current add-on for wheelchair standard accommodation should be removed as potentially discriminatory.

It was noted that the general ground floor flat deduction only applies to tenement flats at street level on main roads, to reflect lack of privacy/noise nuisance.

4.5 Garden Type

The existing differentials relating to having a garden were noted. A member highlighted comments in the survey feedback regarding:

- the added cost involved in maintaining a garden.
- the difficulty that some residents have in doing the gardening themselves, and the fact that the Association has withdrawn the private gardening service.

It was noted however that we have very high demand for property with a garden (particularly from families with young children) and under the tenancy agreement it is the tenant's responsibility to maintain it. We have a significant number of older tenants who are under-occupying larger houses with gardens and ideally they might consider moving to a smaller property, although it was perhaps understandable that they are reluctant to leave a long-term family home.

After discussion and further information presented to the meeting it was agreed that:

- The existing add-ons for large gardens (applied to houses and four-in a block flats) be retained (7.5%).
- The level of the % add-on for small gardens be reviewed. This currently generally applies only to the small strips in front of ground floor tenements and at 5% currently seems relatively high. A lower add-on of 2.5% to be considered.

It was also noted that:

- We currently provide grass-cutting to the small strips in front of some ground-floor tenements but not others (dating back to the GHA stock transfer) and this needs to be resolved.
- An assessment of the impact of the withdrawal of the Private Garden Service is to be undertaken and the findings will be reported to the Board in due course.

4.6 Space Standards

It was agreed that:

- The existing 2.5% deduction for each single bedroom in a property be retained. There were some challenges in being clear about the situation in each property and further review will be required, but to remove this would have a very significant impact on many existing rents.

- The existing add-on for having an extra WC and/or shower-room be retained.
- Further consideration be given to the possibility of introducing a new deduction for properties that have very little storage space. Proposals to be developed on this for the November meeting once the review of property attributes has been completed.

4.7 Other differentials

It was agreed that other existing differentials, not mentioned above, be removed.

The CEO then tabled a sheet (**Appendix 2**) with the outline of the proposed new structure on one side and example rents on the other.

4.8 Impact of proposed changes

Information was then also presented (last slide appendix 1) to show what the impact would be of the introduction of this outline revised structure.

On current assumptions, there would be little difference in terms of the overall income raised and most (62% of all tenants) would see a less than 5% change (up or down) in their existing rent. For those whose tenancy had started since April 2015 the proportion was 87%.

However, it was also noted that on current projections 22% of all tenants (and 47% of all pre-2015 tenants) would see an above 5% rent rise as a result of the restructure. A relatively small proportion of tenants, currently paying much lower rents than the average for their property type/size, would face a more significant increase.

It was emphasised that these projections would be subject to ongoing refinement to help inform the final proposals but at this stage it looks feasible that the new structure when applied to all properties would be simpler and still achieve the following objectives:

- Reflect key property differences
- Generate equivalent rental income as the present situation.
- Would not significantly change the rents of most tenants who currently have their rents set under the 2015 Rent Policy.
- Would provide an opportunity to remove some anomalies from the existing structure.
- Would still ensure that our rents are affordable and compare well with those of other social landlords.

The Board noted and gave in-principle approval to the intended changes to the rent structure and agreed that final, pre-consultation, proposals will be brought back for consideration to the November meeting.

5. Environmental Services and Charges

Members noted the content of the report from the CEO and the current arrangements and charges being applied for delivering close cleaning; back-court maintenance; bulk uplift and common landscaping services.

In light of the tenant feedback discussed earlier in the meeting discussions were already ongoing with Upkeep about how the services (and close cleaning in particular) could be improved.

Key areas for improvement with the close cleaning service identified included:

- A need to stick to the programme and set days.
- Improve service quality.
- Make closes smell better.
- Clean walls as well as tiles.
- More frequent cleaning of windows (monthly).

A review of the current Service Specification was underway and it was now planned to conclude this shortly.

It was acknowledged that Upkeep faced a range of challenges and external demands and pressures, as discussed by the Board in recent months. The emerging consensus was that there is a need for increased staffing capacity but also improved supervision arrangements and a stronger focus on customer service and performance.

It was also felt that there is a need for improved communication with tenants around these services by both Upkeep and SHA, including:

- Ensure tenants are clear about what is to be delivered and when.
- Regularly update in real time re when work has been done (tick box posters in closes/ electronic updating (including “after” photos) – and encouragement of feedback. Potential for new Tenant Portal to be used for this.
- Apologise and explain when a need to defer service: in advance when possible.
- Celebrate what has been achieved on e.g. social media.
- Enhanced involvement by housing officers to more effectively play the role of “service client”: liaising with service users and Upkeep to know what issues are and engaging with tenants to help resolve issues.

The Board also noted that renewed attempts are to be made to address poor close condition where tenants have previously opted to retain the responsibility for close cleaning. Housing officers would be engaging with these tenants on a focussed basis about their responsibilities and if there is no improvement will look to extend the Upkeep service to these addresses (once we are clear the quality of the service has improved). In response to a Member query it was clarified that this would only happen where it is clear that residents are not keeping the close clean themselves.

It was agreed that the Board would continue to be updated on progress with all of the above.

It was again noted that historically service charges have not covered the cost of provision and the level of charges that should apply. A review of the cost of service provision was ongoing. It was hoped to be able to deliver improved service without significantly impacting on Upkeep’s charges to SHA or on tenant service charges.

It was still felt to be the right thing to generally apply separate service charges for these items rather than merging everything into one rent charge: although the survey feedback had shown some support for that. It was proposed however to reduce the complexity of charging in some ways as follows:

- a) Grass-cutting/ landscaping: As agreed at the last meeting it was now intended to continue to treat this cost as something to be met through overall rent income and not levy separate service charges and formally adopt this as part of the new harmonised rent policy.

- b) Caretaking services: It was now proposed to introduce a single charge to cover Close cleaning, Back-court maintenance and bulk-uplift instead of seeking to separately identify these. This would be simpler to administer and should be simpler for tenants to understand.

It was not proposed to introduce any real increase to the charge until we are clear that the service has improved. The one exception might be the bulk uplift service which no longer reflects the extra amount of work involved in taking the bulk to the waste depot and not just taking it out onto the street for the Council to collect.

- c) Ex-GHA tenancies: There are still around 300 of these who have never had separated out service charges. It was proposed that as we move them onto the new Rent Structure the element of their rent that relates to services will be separately identified. This will be more transparent and will also be important for identifying what their “net rent” is and for calculating rent phasing arrangements.
- d) Other services: The position regarding services at Edrom Path, former sheltered housing scheme, was also noted in respect of the recent changes to the Retirement Housing Service and charge and planned review of the level of charge for common heating and maintenance of common areas.

The Board endorsed the outline plans to review and improve the quality and value for money of caretaking services and gave in-principle approval for the proposed approach to future service charging as set out above.

6. Membership applications

Members noted the content of the report and approved the applications from the following:

- Mrs Catherine Walker Gilmerton Street.
- Miss Sarah Josey Kirknewton Street.
- Mrs Charmaine Wright, Wellshot Road.
- Mr Dean Armour Pettigrew Street.
- Mr David Millar Pettigrew Street.


It was noted that two of the applications were from Upkeep employees and the Board would not normally approve membership applications from SHA direct employees. It was agreed however that there shouldn't be an obstacle to staff of the subsidiary, living in the area and sometimes in SHA homes, becoming share-holding members although conflict of interest would preclude them from becoming Board members.

7. Any Other Business

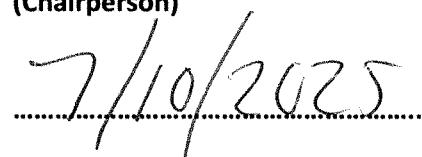
There was none.

Minute prepared by Tony Teasdale (CEO).

SIGNED:


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(Chairperson)

DATE:


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