

YORKHILL HOUSING ASSOCIATION LTD.

Minutes of Management Committee hybrid meeting held on Thursday 11th December 2025 at 18:00 in The Association's Office & via Zoom

Present: Y Alexis (Chair), M Ralph, M Green, W Docherty

J Wilson, C Armstrong, J Xu (via Zoom)

R Toner, M Hughes, T Ramsay (observers)

J Fleming (observer, via Zoom)

Apologies: C Mearns

In Attendance: T Mallaghan (Chief Executive), G Kennedy (Deputy Chief Executive), G Watson (Finance Manager), J Stirling (Housing and Finance Manager), C Davidson (Governance Assistant, mins)

Abbreviations:

CE	Chief Executive
DCE	Deputy Chief Executive
FM	Finance Manager
HFM	Housing and Factoring Manager
GA	Governance Assistant
SHR	Scottish Housing Regulator

		Action
1.	<p><u>Welcome, Apologies</u></p> <p>Attendees were welcomed and attendance was noted.</p> <p>Meeting began at 18:00.</p> <p>The Chair welcomed back R Toner, who had observed last month.</p> <p>Furthermore, M Hughes, T Ramsay and J Fleming were welcomed as observers and potential future Committee members. They all introduced themselves to the room, while members and staff did likewise in return.</p>	
2.	<p><u>Declarations of Interest</u></p> <p>Two declarations were noted for this evening, namely:</p> <ul style="list-style-type: none">- [REDACTED]- [REDACTED] <p>This was arranged and agreed beforehand, and all parties were aware</p>	

of the need to be absented for these items.

In addition, while not specifically a conflict of interest, the Chair requested that staff may present item 7 – rent increase 26/27 – but then allow Committee a short time alone to discuss again among themselves before reaching a decision. Staff agreed to this request.

3. Membership applications/cancellations

Members approved 2 new applications for membership:

████████████████████
████████████████████

This evening’s observers and membership applicants had come as a result of proactive membership recruitment efforts by Governance staff. Several avenues have been explored, and this has moved in a positive direction as several observers are welcomed along this evening with a view to further individuals potentially observing in February.

4. Minutes of Last Meeting on 13th November 2025

4.1 - Amendments

A member requested that mentions of C Mearns throughout the minute be changed to simply ‘a member’, in line with the practice used when other members raise questions since C Mearns is now a member of the Committee. In the interest of consistency, this amendment was agreed to.

4.2 – Approval

Provided the above amendment is actioned, the minutes were proposed for approval by M Green and seconded by M Ralph.

4.3 – Matters Arising

Item 4: Previous Matters Arising from meeting on 9 Oct (page 2)

The Chief Executive (‘CE’) noted that members’ request for the opportunity to discuss ████████████████████ among themselves alone would be met this evening when staff absent themselves for agenda item 5.

Item 5: Summary Reports of Recent Sub-Committees (Page 3)

The CE updated that following a request from a member for more information on the Association’s broader property acquisition strategy, that this had since been provided.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. Draft Budget 2026-27

The Finance Manager ('FM') presented a draft version of the Association's budget for the next financial year, which will be finalised in March 2026. The FM took extra care to keep the observers informed about the budget and the various reviews and approvals throughout the year. Some of the key **assumptions** (therefore subject to change) in the draft included:

- Employee costs increased by [REDACTED], per the new EVH salary scales. An additional 2% has been included to provide for the increase in Employer National Insurance contributions. An employment allowance to the Association of £10k has been accounted for. Continuation of the Estate Caretaking service and the Modern Apprentice are budgeted in, however there will be no grant funding available for the latter. A sum of £6k will be allocated towards the pension deficit, which the FM again took care to explain for the observers.
- A 3.6% increase on overheads and direct costs;
- Another sizeable increase of 6% towards insurance costs;
- A rent increase of 7.6% (subject to approval this evening);
- The Association is expected to budget for a surplus of £262k at year ending March 2027, with a cash balance of just over £900k;
- An expected capital component expenditure of £484k, with another window replacement programme anticipated, albeit smaller than the Argyle Street project carried out this year;
- Stress testing has been applied to ensure that loan covenants will still be met.

The FM noted the particular importance of monitoring cashflows, and made members aware of a recent SHR publication which analysed Five Year Plan submissions across the sector. The publication reported that – as is the case with this Association – margins are not particularly high, however the current suite of quarterly financial performance reports will continue to be sent to Committee.

No further questions or comments. The draft budget was therefore approved with the caveat that it be revised if Committee propose something different to the suggested rent increase, for discussion at item 7.

FM

7. Rent Increase 2026-27

██████████ *absented themselves for this item.*

The DCE summarised that tenants were consulted this year on two options with regards the annual rent increase:

	2026/27	2027/28	2028/29	2029/30
Option 1	7.6%	CPI + 3%*	CPI + 3%*	CPI + 1%*
Option 2	5.8%	CPI + 4%*	CPI + 4%*	CPI + 4%*

The DCE presented a detailed report which covered the statistics and responses from the consultation, where tenants were asked about their preferences, their thoughts on the quality of rent information they receive and their thoughts on the affordability of the Association’s rates. Respondents were also welcome to indicate whether a referral to the Welfare Rights service could be of assistance. Individual response comments were also included.

Following this, the report included benchmarking against peer housing associations in the West End on rent rates and historical increases plus comparisons showing the much lower cost of social rent versus private rent in the Yorkhill area.

The DCE noted that this year, an increase of 7.6% would be comparably higher than the Association’s historical increases, which have traditionally been closer to the inflation rate. The Association would therefore have the highest increase in its peer group, however the overall cost of rent remains low for the sector. The DCE stated that with expenses climbing considerably in recent years, there is a risk to the level of service that could be delivered if the increase were on the lower end. It was also noted while the gap between 5.8% and 7.6% may appear wide, it is in some cases only a few £ per week in reality.

The HFM added that if the increase were below 7.6%, then other

avenues would have to be found to recover consequent shortfalls – this could then impact the services delivered to residents, such as the timescales between installing new kitchens, bathrooms etc. It was noted that while a higher increase may be unpalatable, so too would pushing back the times for replacing these components within homes.

The HFM updated that the Factored owners' consultation on management fee increases – running until January – has actually seen more preference for the higher option.

When asked, senior staff also made members aware that selling assets as a short-term solution would mean a loss of rental income which over the longer-term would bring in more money.

***At 19:13, staff left the room to allow Committee to discuss the matter among themselves, and were invited back in at 19:40. ■
■■■■ also rejoined the meeting at this point.***

The Chair informed senior staff that after a full discussion, the Committee would like alternative options to be considered, preferably somewhere in between the two options of 5.8 and 7.6%. Committee would also like the FM to explore the possibility of reviewing capital investment programmes as a method of making up potential shortfalls.

The DCE noted that Management Committee do not meet again until Feb 2026, however Housing Benefit require to know the Association's increase before the end of Jan 2026. This could mean a tight deadline for drafting an alternative solution, and it was agreed that all members would be kept abreast of new proposals by email instead (or in hard-copy format for those who require it).

The DCE then asked if Committee were willing to share any specific concerns they had around existing proposals, to which the Chair noted that after considerable discussion, members are not confident at this time that such a comparatively high increase - compared to both the Association's own historical increases as well as proposals by other organisations (which was provided within the reports) - would be palatable.

The HFM noted that despite 7.6% appearing high, increasing rents by such a rate may still only serve as a 'break even' point given the increasing cost of services. Furthermore, some larger organisations have historically had higher increases than this year, meaning they may be lower this time. The DCE asked if there were any specific areas of the business that members would like to target for potential cutbacks if required. One member stated that all options should remain on the table, and that Committee would listen to senior staff's advice on

DCE/GA

	<p>where cutbacks may be targeted and the best way to manage these.</p> <p>Senior staff collectively acknowledged this position and agreed to be in touch soon about potential alternatives.</p> <p>8. <u>Component Accounting Review</u></p> <p>The FM presented a report proposing to extend the lifespans on capital components within homes, as it was felt among senior staff after consideration that these components are of a standard whereby their useful lifespan is actually longer than current arrangements dictate.</p> <p>The report also noted that doing so would help prevent the Association replacing components which are still in good working condition, may allow a more flexible approach for instances where tenants refuse replacements and enhance the achievability of investment programmes owing to less replacements or installations in any given year and therefore less staff resources being required.</p> <p>Members were presented with comparative component lifespans in place at other housing associations, and the proposed revised lifespans put forward, including (list not exhaustive):</p> <ul style="list-style-type: none"> - Kitchens: 18 years now 20 years; - Bathrooms: 18 years now 25 years; - Boilers: remaining at 15 years; - Central Heating: 24 years now 30 years; - Enhanced Fire Protection now included: 10 years <p>Members were satisfied with these proposals and duly approved the motion.</p> <p>9. <u>Assurance Update</u></p> <p>The Governance Assistant ('GA') presented the monthly report looking into a different area of the Association's activities and the level of assurance that Committee can have regarding compliance and good practice in that area. This month, the topic of financial controls and oversight was explored. Members received an appendix report which identified the regulatory standards met by proper financial planning and oversight at Committee level, followed by a breakdown of the compliance mechanisms in place to ensure compliant practice.</p> <p>The GA noted that these reports are not to be taken as standalone audits and is instead intended to usefully bring all assurance activity on a topic into one place both for ease of reference and to keep the assurance statement at the forefront of Committee thought throughout the year.</p>	<p>CE/DCE/ FM/HFM</p>
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	<p>The report concluded that there are many effective financial controls in place with strong assurance levels to be taken. However, the report also recommended some training on the topic of treasury management to ensure that major financial decisions remain well-informed and the need for senior staff and Committee to agree on the Association's 'risk appetite' for future ventures and any potential borrowing.</p> <p>Members noted that this reporting style has been useful, and noted the paper's contents with no further questions.</p> <p>10. <u>Strategic Risk Register</u></p> <p>The DCE presented the strategic risk register as this was now due for quarterly review by members. The key risks requiring mitigation are broad enough to cover the vast majority of the Association's remit and were therefore unchanged, however there were some minor additions to the mitigation measures employed, namely:</p> <ul style="list-style-type: none"> - Details of the recent recruitment drive to mitigate the risk of failing to maintain and attract a strong and effective Committee; - New weekly financial cashflow updates from the FM to senior staff as another way of combatting the risk of ineffective financial planning. <p>Members noted these changes, and had no further questions.</p> <p>11. <u>Chief Executive's Report</u></p> <p>Report prepared by the CE to provide members with an update on the latest general situation both within a wider local and national housing context, as well as with the Association itself. In particular, there were detailed updates following the announcement of the Labour government's next budget plans and what this could mean for households.</p> <p>One member noted that they had recently attended an SFHA seminar on Net Zero. While they found it informative, they also asked the CE whether it would be possible for a Net Zero strategy or roadmap to be drafted for members. The CE agreed to this for early into next year.</p> <p>12. <u>AOCB</u></p> <p>The HFM reminded members that the staff-Committee Christmas lunch was being held the next day (12 Dec), with details of the time and venue given out again.</p> <p>No further business was discussed.</p>	<p>CE</p>
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	<p>The Chair thanked everyone for their attendance and input, and the meeting closed at 20:00.</p> <p>Date and Time of Next Meeting: 12th February 2026 at 18:00.</p>	
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Signed as a Correct Document Chairperson