

**ALBYN HOUSING SOCIETY LIMITED**  
**REPORT OF THE BOARD MEETING**  
**HELD ON TUESDAY 27 JANUARY 2015 AT 10:30 AM**  
**AT ALBYN'S OFFICES, INVERNESS**

**Present**

Mr D Russell (Chair)	Mrs I McLaughlan	Mr J Convery
Ms M Smith	Ms K Williams	Mrs S Slimon
Mrs P Dingwall (except Items 4.5, 4.6, 4.8, 4.9 and Item 5 onwards)		

**In Attendance**

Mr C Macaulay: Chief Executive	Mr R Nairn: Finance & Corporate Services Director (Item 4.1 onwards, excluding Item 4.10)
Ms H Barton: Customer Services Director (Item 4.1 onwards, excluding Item 4.10)	Miss C Lawrie: Corporate Officer (Minutes)

**1. APOLOGIES**

1.1 Apologies had been received from Mrs Grant, Messrs Sinclair and Solle for this meeting.

**2. DECLARATIONS OF CONFLICTS OF INTEREST**

2.1 No conflicts of interest required to be noted for this meeting.

**3. MINUTES OF THE PREVIOUS MEETINGS**

3.1 Minutes of Board Meeting: 25 November 2014

The minutes were agreed as a true record.

**3.1.1 Action Items**

A written update on the action items had been provided.

**3.1.2 Matters Arising: Register of Interests**

The Chair clarified that new guidance dictated that partners' interests should also be taken into account when making declarations for Albyn's Register of Interests. The Chair himself had provided an updated declaration to take this into account and he urged his fellow Board members to do likewise. In any event, all Board members are due to make declarations by the end of the financial year. The Board members understood that this process had to be followed to meet the requirements of their Code of Conduct.

## 4. DECISION MAKING PAPERS

### 4.1 Rent Proposals: 2015

- 4.1.1 The Finance & Corporate Services Director's paper sought approval from the Board for the level of increase to Albyn's rents, management fees and service charges which will be implemented by the Society for the financial year to 31 March 2016. At their meeting in November 2013 the Board had agreed to move from using RPI to using CPI as the basis for determining rent increases. Mr Nairn reported that the CPI figure for December 2014 had been confirmed as 0.5%. Therefore the proposal was for a rent increase of 1.5%, based on using the CPI figure plus 1%.
- 4.1.2 Mr Nairn noted that most other registered social landlords were proposing a rent increase of 2.3% and above. It was agreed that a comparison on the rent increases from other RSLs and Highland Council could be provided in Albyn's tenant newsletter.
- 4.1.3 Board members thought that at a time of austerity for tenants it was important that a lower rent increase is made. Reference was made to the service charge. Mr Nairn clarified that there are some tenants who are not charged a service fee for historical reasons and this needs to be addressed. In addition, work continues to clarify what the service charges should be for each scheme. A series of consultations will need to take place regarding this.
- 4.1.4 The Board approved the rent increase of 1.5%; the service charge increase of 1.5%; the Management Fee increase of £6.00 per annum; the maintenance of furniture charges at their current rates; and the maintenance of garage rates at £13 per month. The Board also approved a year for the process to determine service charge costs across Albyn.

### 4.2 Rent Arrears Management Plan 2015/16: Outline

- 4.2.1 The Customer Services Director's paper provided the Board with an update on actions taken to date and proposals to consider in order to prepare an arrears management plan for 2015/16. The Board members were asked to consider and approve the approach proposed.
- 4.2.2 Ms Barton confirmed that information from Money Advice Service UK is due to be sent out to all tenants shortly. She will also ensure that the tenants' handbook is up to date with this information.
- 4.2.3 The Board agreed the proposed rent arrears management plan for 2015/16.

### 4.3 Radon Testing

- 4.3.1 The Asset Management & Investment Manager's paper provided the Board with proposals to carry out testing for Radon gas at some of Albyn's properties, as identified by the maps produced by Radon UK. The paper proposed initially testing the Society's properties in Fort Augustus. Testing consists of placing two small disks within two rooms of each property. These disks are then returned to the laboratory for inspection. The proposal was for Albyn staff to both deliver and collect the disks for each household involved.
- 4.3.2 The Board approved the proposal for radon testing on Albyn's properties.

#### 4.4 Risk Management

- 4.4.1 The Finance & Corporate Services Director's paper provided the Board with a risk management framework which had been updated since the Board's discussion at the last meeting. Since then the Management Team had met and carried out a similar exercise to that of the Board and as a result a number of additional challenges had been identified. Mr Nairn asked the Board to consider the amended framework.
- 4.4.2 As Chair of the Audit Committee, Mr Convery noted that the document should be seen as a work in progress and that the Board should continue to review the situation and add any new risks as required.
- 4.4.3 Mr Convery reported that the Audit Committee had received an update on risk management at their 20 January meeting. The Committee was supportive of the framework provided to that meeting. The Committee had discussed strategic versus operational risks, although it had been noted that sometimes a strategic risk may become an operational one.
- 4.4.4 Mr Nairn asked for Board members' views on how to improve tenant participation, as this had been raised as a potential risk area by the Board during the process. Work had recently taken place to engage tenants in ways other than becoming members of Albyn's Board. Albyn now has the Customer Involvement Strategy Monitoring Group (CISMG), the Core Group (which comprises tenants and staff members), and small working groups are implemented to review specific matters such as the rent increase letter. Comments made by tenants through consultation are provided to the Board for consideration. In summary, a number of processes are now in place to ensure that tenants are able to provide feedback to Albyn. It may be the case that tenants do not necessarily want to become Board members, but that they are content to be able to participate on matters that interested them. It was agreed that these processes needed to be promoted to ensure that tenants know how they can participate and feed back.
- 4.4.5 The Board discussed and reviewed the amended framework. A final version will be provided to the March Board meeting.

#### 4.5 Governance Effectiveness Review: Report from Linda Ewart

- 4.5.1 The Chief Executive's paper provided the Board with the report from consultant Ms Linda Ewart on the outcomes of her governance effectiveness review. This process had begun with the 27 March 2014 Audit Committee meeting when Committee members had requested that a consultant be identified who could lead the Board through a review of its performance.
- 4.5.2 Ms Ewart had been tasked to take this work forwards. As a first step she had asked the Board and Executive Team members to complete a survey which had been produced within the context of the Scottish Housing Regulator's Regulatory Framework. Ms Ewart had then attended the Board's 23 September 2014 meeting to provide some informal feedback on the outcomes of the self-assessment. The report written for this meeting provided formal feedback and the outcomes of the review.
- 4.5.3 Mr Macaulay noted that a number of the recommendations within the report were already being progressed. It was agreed that Mr Macaulay will provide an action plan to support this and will circulate it separately to the Board.

## 4.6 Eviction Approvals

- 4.6.1 The Customer Services Director's paper sought Board endorsement of a Chair's approval to enforce a court decree for an eviction, and for the Board to approve a further six decrees for repossession.
- 4.6.2 The Board discussed the Chair's approval. The Board also considered and discussed in turn each request for the enforcement of an eviction decree.
- 4.6.3 The Board members were pleased to note that staff are attempting to address rent arrears issues as early as possible. Ms Barton confirmed that the Tenancy Sustainment Team is involved from a very early date when problems are identified.
- 4.6.4 The Board commended the staff's hard work on these cases.
- 4.6.5 The Board endorsed the Chair's approvals and approved all of the eviction orders.

## 4.7 Strategic Disposal of Properties

4.7.1 Mr Nairn's paper sought approval to:

- Dispose of four flats in Grantown on Spey, transferring the tenants to four purpose-built flats which need to be acquired
- Sell a property in Croy
- Sell an area of land at Dalmore to The Highland Council for development purposes

The paper also updated the Board on progress with the disposal of a property on Young Street, Inverness, as approved at the last meeting.

- 4.7.2 It was noted that Albyn's four flats in Grantown on Spey had failed to meet current energy efficiency requirements. At the same time, four purpose-built flats were available for purchase in the area. The cost of purchasing the new flats was less than it would cost to repair the current flats within a listed building and raise their energy efficiency to an acceptable standard. Therefore the proposal was to purchase the purpose-built flats; transfer the tenants to them; and dispose of the old flats by sale. The Board agreed that this seemed to be a sensible and pragmatic approach to take.
- 4.7.3 The Board approved the disposal of four flats in Grantown on Spey and the purchase of purpose-built flats for the tenants concerned; the sale of the property in Croy; and the sale of land at Dalmore to The Highland Council. This was proposed by Ms Williams and seconded by Mr Convery.

## 4.8 Co-options to the Board

- 4.8.1 Mr Macaulay's paper proposed the co-option of two people onto Albyn's Board. These were Ms Gail Linden, who is a tenant and a current member of Albyn's Performance Committee; and Mr Angus McMaster, a partner of Frame Kennedy Accountants in Inverness.
- 4.8.2 These proposals addressed two issues identified within the makeup of Albyn's Board. This was to ensure that there is a tenant representative on the Board, and that another financially astute person should be identified.

- 4.8.3 Mr Macaulay updated the Board on the meetings that he had held with both candidates. Both had confirmed their interest in joining Albyn's Board. For the time being they would be co-optees, with a view to potentially become full Board members at the Annual General Meeting (AGM) on 18 August.
- 4.8.4 The Board members were pleased that there was a tenant who was willing to join the Board. There was some discussion on the formal position of co-optees, who could not, for example, be counted as ensuring a meeting is quorate.
- 4.8.5 The Board approved the co-option of Ms Gail Linden and Mr Angus McMaster onto Albyn's Board.

## **5. MINUTES OF COMMITTEE MEETINGS**

- 5.1 The Board noted the draft minutes from the Albyn Enterprises Ltd (AEL) meeting which took place on 20 November 2014. The Chair of the AEL Board, Mr Convery, reported that the AEL Directors had approved the purchase of factoring software. Mr Nairn added that two bids had been submitted for the landscape tender. The process should be finalised and the contractors in place by April 2015.
- 5.2 The Board noted the draft minutes from the Performance Committee meeting which took place on 4 December 2014. Ms Barton reported that a meeting had recently been held with sheriff clerks and this had clarified that the eviction process in conjunction with the courts was working better than previously thought. The Chair added that he had joined the meeting towards the end and he thought that it had been very positive.
- 5.3 The Board noted the minutes from the Audit Committee meeting which took place on 20 January 2015. These were tabled at the meeting. The Chair of the Committee, Mr Convery, reported that two members had been unable to attend in person on the day, due to bad weather. However, one had participated in the meeting by Skype and one by conference phone. Mr Convery also noted that the Committee had approved the internal audit strategy for 2014-17.

## **6. HEALTH AND SAFETY**

- 6.1 There were no health and safety matters to note.

## **7. LEAVE OF ABSENCE**

- 7.1 One request for a leave of absence was received for the Board meeting taking place on 17 March 2015.

## **8. ANY OTHER COMPETENT BUSINESS**

### **8.1 Freedom of Information**

The Chair noted that it was possible that registered social landlords may be brought under the Freedom of Information Act. The Chief Executive commented that Albyn already tried to meet the spirit of the Act, although much work would be needed if required to comply formally.

## **9. DATE OF NEXT MEETING**

9.1 The next meeting is due to take place on 17 March 2015 in Invergordon.

## **10. INFORMATION PAPERS**

### **10.1 Welfare Reform: Update**

This paper had been circulated separately by email to Board members. The contents were noted.

### **10.2 Information Technology: Update**

This paper had been circulated separately by email to Board members. An IT strategy is due to be produced for the June Board meeting.

### **10.3 Stock Condition Survey: Update**

This paper had been circulated separately by email to Board members. Mr Macaulay reported that work on the issues identified through the survey is progressing and will be complete by the end of March.

### **10.4 Gas Safety Issues: Update**

This paper had been circulated separately by email to Board members. The Regulator had a requirement for 100% completion of gas safety checks within the year. Mr Macaulay reported that Albyn had brought forward by two months the point at which staff approached tenants to carry out the routine checks in order to ensure that this goal is achieved.