

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD MEETING HELD ON TUESDAY 16 OCTOBER 2018 AT 10:30 AM AT ALBYN'S OFFICES, INVERGORDON

Present

Mr S Smith (Chair)
Mr I Fosbrooke

Mr D Russell (Vice-Chair)
Mr J Convery

Mr S Gracie

In Attendance

Mr C Macaulay: Chief Executive
Mrs B Fletcher (Minutes)

Mr R Nairn: Chief Operating
Officer

Mr A Martin: Head of Finance &
Corporate Services

1. APOLOGIES

1.1 Apologies had been received from Ms Smith, Mrs Carr, Mrs Clow and Mrs Howlett for this meeting.

1.2 Mr Smith, the new Board Chair, thanked Mr Russell for his chairmanship over the recent years, and he is delighted that Mr Russell will be remaining on the Board as Vice-Chair.

1.3 Strategy Day

The Chair informed the Board that there will be some pre-meeting paperwork coming out to the Board members in the next few weeks in advance of the Board Strategy Day. The plan is to issue the current values, mission and objectives paper and, together with some other parties (including the Regulator, Scottish Housing, Government and SFHA), to see how aligned the Society is with other organisations. The Chair would like the Board to spend some time looking at the objectives, to review if they are still appropriate or require tweaking in any way.

1.4 The Chair requested that Mr Nairn provides the most up to date Risk Management Report, prior to the Board Strategy Day.

2. DECLARATIONS OF CONFLICTS OF INTEREST

2.1 Mr Convery noted that all Board members will have a conflict of interest regarding the Board Remuneration paper.

3. MINUTES OF PREVIOUS MEETING

3.1 Board Meeting: 14 August 2018

The minutes of the last Board meeting 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**
There were no matters arising.

4. **DECISION MAKING PAPERS**

4.1 Election to Committees and External Bodies

- 4.1.1 The paper proposed that Board members consider membership of Albyn's three Committees and decide Board representation on external bodies. There are two new Board members and two members on Albyn Enterprises Ltd. The Chair and Mr Macaulay had now concluded the interviews and they talked the Board through the background of each new member.
- 4.1.2 It was agreed that Mr Macaulay will contact the relevant Board members, to confirm that they are happy to join the relevant Committees. If the meeting dates are not ideal due to other commitments, then a dial-in conference call is an option. Mr Macaulay will also advise all external bodies of AHS representation.
- 4.1.3 **Audit and Risk Management Committee**
Membership for this committee was agreed as: Mrs Clow and Messrs Convery, Fosbrooke and Russell.
- 4.1.4 **Performance Committee**
It was agreed that Mrs Howlett, Ms Smith and Messrs Convery, Gracie and Smith will comprise the members of the Committee.
- 4.1.5 **Staffing, Health & Safety and the Environment Committee**
Membership of the Committee was agreed as: Mrs Carr, Mrs Clow and Messrs Fosbrooke, Smith and Gracie.
- 4.1.6 **Staff Consultative Forum**
It was noted that the next SCF meeting is due to take place on 23 October. Papers for the meeting will be provided to three Board members afterwards. All of the SHSE Committee members will be invited to the 23 October meeting.
- 4.1.7 **Albyn Enterprises Ltd**
It was noted that Board membership is a matter for the AEL Board of Directors. It was agreed that Ms Smith would continue to represent the Society on Albyn Enterprises Ltd.
- 4.1.8 **Highland Residential (Inverness) Ltd**
It was noted that Board membership is a matter for the HRI Board of Directors. It was agreed that Ms Smith will be the Society's representative.
- 4.1.9 **City Region Deal Working Group**
Messrs Russell, Smith, Gracie, Fosbrooke and Ms Smith are the current Committee members, and this will remain the same.
- 4.1.10 **Highland Small Communities Housing Trust**
Mr Gracie is the current representative and he agreed to continue in that role.

- 4.1.11 **Employers in Voluntary Housing**
It had been agreed in October 2016 that having a representative on this Committee was not a priority. This decision remained valid.
- 4.1.12 **Scottish Federation of Housing Associations**
It was agreed that Mr Smith will take over this role.
- 4.1.13 **Tenant Participation Advisory Service**
It was agreed that the new representative will be Mrs Carr.
- 4.1.14 **Rural & Islands Housing Association Forum**
Mr Convery is the current representative on the Forum and agreed to remain so.
- 4.1.15 **Highland Housing Alliance**
Whilst the Society is a member of HHA, Albyn does not have either of the two housing association Board places on this body and this arrangement will continue.
- 4.1.16 The Board approved the election to committees and external bodies as noted above.

4.2 Society Membership: Cancellations & Memberships

- 4.2.1 The paper updated the Board on the current position regarding memberships and cancellations of the Society. It proposed the removal of six Society members due to a variety of reasons such as they had moved away or wished to cease being members. This would reduce membership to a total of 50. The three new memberships were also listed.
- 4.2.2 The three new membership applications are from Mrs Clow, Mrs Howlett and Mr Temu. Mr Macaulay agreed he would contact Ms Dunbar regarding joining as a member.
- 4.2.3 The Board approved the proposal for the removal of the six Society members. The Board also approved the applications of the three new members.

4.3 Endorsement of Chair's Approval: Property Allocation

- 4.3.1 In between meetings, the Chair's approval had been sought to allocate a property to a staff member. The Chair had subsequently given his approval. Mr Nairn double checked that the allocation had been allocated fairly, and effectively the allocation has been made based on the Chair's endorsement.
- 4.3.2 The Chair has approved this endorsement but has requested that in the future when anything goes forward to the Chair that it is clear what the process is and that there is confirmation that the process has been followed. The Chair asked that the preferred process is to be an external organisation to carry out the second check.
- 4.3.3 The Board endorsed the approval given by the Board Chair in relation to this property allocation.

4.4 Eviction Approvals

- 4.4.1 The paper sought the Board's approval for three evictions. The Board discussed all three cases in detail.
- 4.4.2 The Board approved the three evictions.

4.5 Project Newland: Inverness Office Move: Update

- 4.5.1 The paper updated the Board on progress with moving the Inverness office from its current location to new premises.
- 4.5.2 The possibility of converting the offices at MacLennan Crescent into five flats is being considered.
- 4.5.3 It was agreed that the Project Newland update will be delegated to the Performance Committee in future.

4.6 Staff Resources: Asset Management and Investment Department

- 4.6.1 Mr Nairn spoke to his paper which follows the report considered by the Board at its last meeting where a finance post was confirmed and that there would be a further staffing report to the Board meeting in January 2019 regarding the Corporate Services resource and vacant Head of Policy position.
- 4.6.2 The new Asset Management and Investment post to be created is at assistant level.
- 4.6.3 Mr Nairn confirmed that recruitment of the Head of Policy had been planned for August this year, but this was now unlikely before March 2019. Therefore, the costs of the new Asset post would be borne by this underspend in the current financial year.
- 4.6.4 The request for additional staffing within the Asset Management and Investment team was approved.

4.7 Keeping Vulnerable People Safe: Update

- 4.7.1 Mr Macaulay's paper was not ready. He has not managed to progress this and will need to delegate this task to the customer services managers. It will be ready for the January Board meeting.

4.8 Reward and Remuneration

- 4.8.1 Mr Macaulay's paper provided information on:

- Board Remuneration Policy
- Board Contract

4.8.2 **Board Remuneration Policy**

Looking at daily rates for Board members, the amounts vary from around £172 - £225. Some companies offer an annual figure rather than a daily rate. Those range greatly from £2,000 a year to £12,000 in other cases.

- 4.8.3 Mr Macaulay needs to look at how this is to be calculated and how this is to be paid out. In terms of Board business meetings, plus the Board Strategy Day, staff days and two committees, the number is roughly eighteen days a year. He suggested that the system operate on twelve monthly payments. Mr Martin said that that route can certainly be used, and each individual is responsible for their own tax affairs.

- 4.8.4 The Board members were content that 18 days per year is adequate. The daily rate was also agreed.
- 4.8.5 The decision was made that Albyn will not pay Board members sick pay.
- 4.8.6 Mr Russell and the Chair both agreed that the remuneration should be made public and some PR marketing will take place around this. It was proposed that three Board members this year be remunerated on the basis of a review in 12 months' time.
- 4.8.7 The Board Remuneration Policy was approved.

The Chair was then asked to leave the room.

- 4.8.8 The Board proposed that the Chair gets paid the same daily rate as the Board members, but is paid for 24 days a year. The Board members were content with this decision. Mr Russell agreed that this is a fair amount for the new Chair, given the number of events he will be required to attend. There are staff events, occasionally a dinner, photographic and PR sessions.
- 4.8.9 The Board approved the Chair's daily rate for a total of 24 days a year.

The Chair then re-joined the meeting.

4.8.10 **Board Contract**

Mr Macaulay asked the Board members whether everyone was content with the proposed contract. The Chair thought that everyone should sign it when a new person comes to the Board. Mr Macaulay suggested an annual chart or table be produced, so each year there is a very clear, explicit track so that there is a reporting mechanism.

- 4.8.11 The proposed Board contract was approved.

4.8.12 **Bonus Scheme**

Mr Macaulay will provide an update for the next Board meeting.

5. **MINUTES OF COMMITTEE MEETINGS**

5.1 **Staffing, Health & Safety and the Environment Committee: 25 September 2018**

The minutes of the meeting were noted. As Chair of the Committee, Mr Fosbrooke reported that discussion had taken place regarding the health and safety awards process. It had been agreed that there will be an ad hoc award, if and when staff produced any ideas, rather than having annual awards.

- 5.1.1 Mr Nairn reported that the staff member he had identified to represent the Invergordon office on the Committee had decided not to join due to work commitments. Mr Nairn has someone else in mind and is yet to meet with this individual.

6. **HEALTH AND SAFETY**

- 6.1 There were no matters to raise.

7. LEAVE OF ABSENCE

7.1 No leaves of absence were requested for the Board Strategy Day on 16 November 2018.

8. ANY OTHER COMPETENT BUSINESS

8.1 Board Code of Conduct: Annual Commitment

The Board members were asked to confirm their annual commitment to the Board's Code of Conduct by signature. A form had been provided for this requirement. All Board members have now signed and returned the forms.

8.2 Development Programme: Financial Update

Mr Martin's paper was discussed in detail. Following earlier reports in the Quarter 1 management accounts it had been highlighted that the rate of spend was falling short of the development budget target.

8.2.1 Likely expenditure levels net of capital grant receipts for the 2018/19 financial year was expected to be some £9million lower than anticipated with additional spend above forecast on 2019/20 of £6m and a further £3million in 2020/21 and 2021/22.

8.2.2 The impact of this delay in incurring expenditure is twofold. Firstly, the delay in unit completion will result in a shortfall against rental income targets in 2019/20. Secondly, the phasing of the need for additional loan drawdown will result in expected interest charges being lower than budgeted. Across the period this shortfall was likely to be in the region of £187k without specific action being taken.

8.2.3 The management team are reviewing the phasing of several projects with the aim of bringing forward start dates and hence unit completion dates to address the issue. Further updates will be provided through the management accounts reporting cycle.

8.2.4 A further challenge was highlighted by Mr Martin's paper in relation to the major component replacement programme and that specifically of replacement heating systems.

8.2.5 The current allocated budget for replacement heating systems in 2018/19 was £697k. Following confirmation of the required programme for the year, a further 14 units had been identified for replacement which would require an additional £147k to complete. Coupled with this, a mix towards more expensive replacement systems as a result of the heating fuel or property type has led to additional budgetary pressure of around £50k. Finally, tendered prices for comparable systems had increased by more than 6% in 2018/19 adding a further £41k to the cost pressures.

8.2.6 Mr Martin confirmed that the budget pressure from the mix and inflationary elements would be covered through transferring monies from other maintenance budgets in the year. However, the additional cost for an extra 14 systems could not be absorbed and a recommendation was made to the Board to approve the additional £147k spend in 2018/19 which should alleviate the need for this spend in future years.

8.2.7 The Board approved the additional spend of £147k for a further 14 heating systems in 2018/19.

8.2.8 Mr Martin agreed to provide further updates against development spend in his management accounts reports.

8.3 **Courier News: Albyn Housing**

Mr Macaulay informed the Board regarding the front page article in the newspaper. A gas inspection had been due for an Albyn tenant and, despite numerous attempts to contact the tenant, in the end forced entry had had to take place. Unfortunately, the tenant had returned to their home after 5.00pm to find the locks changed and no means of obtaining the keys from the Society. Mr Macaulay said that this was unacceptable; arrangements should have been made to ensure the tenant could access their home after the lock change. The costs for changing the locks had been waived and Mr Macaulay will ensure that any additional costs to the tenant were also repaid. The issue had been reported to the Regulator. An update will be provided to the January 2019 Board meeting.

8.4 **Meeting with Regulator**

Messrs Nairn, Macaulay and Smith have the annual visit to the Regulator on 7 November, and they will update the Regulator on the above issue.

8.5 **Issuing of Papers**

The Chair requested that in future the papers are sent to the Board seven days in advance of each meeting, so that each paper is more up to date but still allows the members enough time to read them before the meeting.

9. **DATE OF NEXT MEETING**

9.1 The Board Strategy Day is due to take place on 16 November 2018.

10. **POLICY PROPOSALS AND REVIEW**

10.1 There were no papers this cycle.

11. **INFORMATION PAPERS**

11.1 **Standing Item: Key Actions and Future Activity**

This paper provided Board members with an update on the Chief Executive's recent activities.

11.2 **Standing Item: Dalmore Fit Homes Update**

This paper provided Board members with an update on the Fit Homes project.

11.3 **ICT: Project Update**

This paper updated Board members on progress with this project.

11.4 **Succession Planning: Six Monthly Update**

The Board noted the update on this matter.

At this point the meeting ended.