

APPROVED Albyn Housing Society Board Meeting |MINUTES

Date: Thursday 28 January 2021
Time: 10.30am
Location: Virtually via 'Teams'

Present

Maxine Smith, Chair	Carl Patching, Vice Chair	Ian Fosbrooke, Secretary
Donna Smith	Jim Convery	Clea Warner
Nicola Drummond	Isabell McLaughlan	Fiona Mustarde
Paul Adams		

In Attendance

Lisa Buchanan, Chief Executive Officer	Laurie Macleod, Head of HR	Morag Beers, Interim Director of Assets
Andrew Martin, Director of Finance & Corporate Services	Executive Assistant	Corporate Officer (minutes)

ACTION

1. APOLOGIES

1.1 Apologies were received from Raymond Bremner

2. DECLARATIONS OF CONFLICTS OF INTEREST

2.1 None were given.

3. STANDING ITEM

3.1 Board Remit

3.1.1 The meeting met the quorum as set out within the Board Remit.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes of Board Meeting: Tuesday 15 December 2020

4.1.1 The minutes of the last Board meeting were agreed as accurate and proposed by Carl Patching and seconded by Jim Convery.

4.2 Matters Arising: Tuesday 15 December 2020

4.2.1 A written update on the action items had been provided and was reviewed.

With regard to action 6.1.4 Lisa updated the Board that having met with the SHR, it was now understood that noncompliance with procurement legislation is a notifiable event. In the short term the Regulator is not concerned about this particular notifiable event as long as the Society continues with its work to develop a procurement strategy.

ACTION

- 4.3 Minutes of Special Board Meeting: Thursday 26 November 2020
- 4.3.1 The minutes of the last Board meeting were agreed as accurate and proposed by Jim Convery and seconded by Fiona Mustarde.
- 4.4 Matters Arising: Thursday 26 November 2020
- 4.4.1 A written update on the action items had been provided and was reviewed.

5. DECISION MAKING PAPERS

- 5.1 Business Plan: Board Engagement
- 5.1.1 Lisa presented the Business Plan: Board Engagement paper to the Board, outlining several specific changes for the Board to discuss and agree upon.
- 5.1.2 The Board asked to see details of costs / financial information relating to the transformation part of the business plan (including Project Phoenix); specifically, the budget for the transformation plan and details of how this would be tracked.
- 5.1.3 For the benefit of newer Board Members, Andrew explained that the Board at the time had approved a £500K budget for Project Phoenix; however, when the Leadership Team come back to the Board with a budget for the overall transformation plan, the costs of Project Phoenix will exceed this budget. This is due to the delays to Project Phoenix and the project team being in place for longer than had been anticipated.
- 5.1.4 The Director of Finance & Corporate **agreed** an action to highlight the Project Phoenix budget within the management accounting. Also, to update the transformation plan budget, to include Project Phoenix as a subset of this.
- 5.1.5 The CEO **agreed** an action to discuss with the Leadership Team the possible establishment of a time bound committee that would have strategic oversight of the transformation plan.
- 5.1.6 With regard to benchmarking performance, the Board asked if it was possible to move away from using the Scottish average and instead use a similar peer group, such as rural landlords with a similar housing stock to that of the Society.
- 5.1.7 Andrew responded that the Scottish Housing Network has put the Society in a peer group with other similar RSL's. The benchmarking to be carried out by the Society will include this benchmark, along with the RSL Scottish average, and the Scottish average (which included Local Authorities).
- 5.1.8 Carl offered to provide assistance and support to the Change Team, given that the Interim Director of Operations had left the Society.
- 5.1.9 The CEO agreed an **action** to consider this offer and act accordingly.
- 5.1.10 The recommendations within the Business Plan: Board Engagement paper were agreed by the Board. This was proposed by Maxine Smith and seconded by Fiona Mustarde.

**Lisa
Buchanan**

ACTION

5.2 Governance Matters

5.2.1 *Board Member Role Descriptions*

5.2.1.2 Andrew sought approval from the Board for the recommendations within the Board Member Role Descriptions paper.

5.2.1.3 The Board suggested that the time commitment for meetings detailed within the role descriptions be increased from four hours to six hours, and that the 'nine-year rule' of the Society should be cross referenced within them.

5.2.1.4 The Director of Finance & Corporate **agreed** an action to update the role descriptions as advised. **Andrew Martin**

5.2.1.5 Subject to the amendments detailed the updated Member role descriptions were approved by the Board. This was proposed by Donna Smith and seconded by Carl Patching.

5.2.2 *A&RM Committee Remit Update.*

5.2.2.1 Andrew sought approval from the Board for the recommendations within the A&RM Committee Remit Update paper.

5.2.2.2 The Board approved the updated A&RM Remit. This was proposed by Maxine Smith and seconded by Carl Patching.

5.2.3 *Board Representation*

5.2.3.1 Andrew sought approval from the Board for the recommendations within the Board Representation paper.

5.2.3.2 Lisa agreed an **action** to provide feedback to the Highland Community Housing Trust on the decision that the Director of Assets (when appointed) would act as the Society representative to the organisation.

5.2.3.3 In addition to the Board representations detailed in the paper, the Board also agreed that Maxine Smith would act as the Society Representative to the SFHA. This was proposed by Jim Convery and seconded by Ian Fosbrooke.

5.2.3.4 The recommendations made within the Board Representation paper were proposed by Jim Convery and seconded by Donna Smith.

5.2.4 *Approval and Authority Limits*

5.2.4.1 Andrew sought approval from the Board for the recommendations within the Approval and Authority Limits paper.

5.2.4.2 Lisa confirmed to the Board, that within her role as CEO, an approval level of £50K was sufficient and it was not necessary to increase this.

5.2.4.3 The Board noted that on page 5, with regard to the purchase of land, the authority should sit with the Leadership Team and not Operational Management.

5.2.4.4 The Director of Finance & Corporate agreed an **action** to correct the approval and authority limits to reflect this. **Andrew Martin**

ACTION

5.2.4.5 Subject to the correction detailed above, the recommendations within the Approval and Authority Limits papers were agreed by the Board. This was proposed by Fiona Mustarde and seconded by Jim Convery.

5.3 Rent Increase Proposals.

5.3.1 Andrew sought approval from the Board for the recommendations within the Rent Increase Proposals paper.

5.3.2 The Board welcomed the level of tenant response to the rent increase consultation that had taken place

5.3.3 Andrew confirmed to the Board that the garage review is currently paused but is included within the business plan, and the proposal is not to increase garage rents until the review is completed.

5.3.4 The Board agreed all the recommendations within the Rent Increase Proposal paper. This was proposed by Ian Fosbrooke and seconded by Donna Smith.

5.4 Management Accounts Q3

5.4.1 Andrew sought approval from the Board for the Q3 Management Accounts, commenting that due to the timing of this Board meeting, the accounts had not yet been approved by the Performance Committee.

5.4.2 The Board enquired about how the deferred costs of maintenance and repairs would be accounted for in the future when the Society was again able to offer these services.

5.4.3 Andrew responded that this was a difficult issue as the Society cannot make a provision for these costs as they have not yet occurred. It was added that whilst the easing in restrictions in Q2 resulted in an acceleration in the number of repairs completed, the recent lockdown was likely to result in a backlog. It is likely that the Society will end the year with a significant surplus for repairs but will face more challenging times in the future in the delivery services that it has not been able to provide this year. Andrew continued that he will be discussing this issue with the auditors and with the Society's bankers, as there is the potential for a covenant breach if the Society has to spend more than is anticipated; however, it was added that the backlog of repairs was unlikely to result in a breach.

5.4.4 The Board were updated that the spend on the Hardship Fund as at the end of December 2020 was just under £55K of the £200K available. The Society will continue with the fund in the next year, but it is likely to be of a smaller amount.

5.4.5 The Board approved the Management Accounts Q3. This was proposed by Fiona Mustarde and seconded by Jim Convery.

6. POLICY PROPOSALS & REVIEW

6.1 No policies this cycle.

ACTION

7. INFORMATION PAPERS

7.1 SHR Self-Assessment Exception Report

7.1.1 Andrew presented the SHR Self-Assessment Exception Report to the Board for its information.

7.1.2 There was a discussion about the level of confidence the Leadership Team had that it could meet the new deadlines for items where due dates had been pushed back.

7.1.3 The Director of Finance & Corporate agreed an **action** to give a RAG status to due dates of items to indicate the level of confidence held in meeting them. **Andrew Martin**

7.1.4 The Board noted the contents of the report. The paper was proposed by Maxine Smith and seconded by Jim Convery.

7.2 New Build Update

7.2.1 Morag provided the Board with an update on new build development for its information.

7.2.2 The Board welcomed the level of detail provided in the new report and the depth of knowledge that Morag brought to the meeting.

7.2.3 Lisa commented that Morag had brought rigour to the management of development contracts and which allowed for a much more comprehensive picture of what was happening in development and the challenges faces. It was added that Morag's management of the Assets Team was making use of its skills and expertise which was a boost to team moral. Cross team working with Customer Services was also underway and proving beneficial.

7.2.4 The Board enquired about the implications of completion delays due to issues such as Brexit and the pandemic for people due to move into new developments.

7.2.5 Lisa explained to the Board that the majority of new developments are for people on the Highland Housing Register (HHR), with the remainder allocated under the discretion of the Society, usually to current tenants. Often new build developments are allocated notionally to people on the HHR who are inadequately housed, and they are informed about any delays to the new build properties being ready. Generally, the Society is not housing homeless people in the new build developments and so the delay in completion would not adversely impact this group of people.

7.2.6 The Interim Director of Assets agreed an **action** to provide the Board with more detail on the forward planning process for newly allocated properties. **Morag Beers**

7.2.7 Andrew confirmed to the Board that for development spend, grant funding is drawn down first before the cash reserves or loan facilities of the Society are used.

7.2.8 The Board enquired if any thought had been given to making disposals where improving homes to the SHQ standard was not cost effective

7.2.9 Morag responded that the portfolio of properties is currently being reviewed and disposals will be a consideration.

7.2.10 Andrew discussed the benefits of having improved financial information about the development programme to enable forecasting and management of costs. A frustration in the past where this information had been lacking was that spend was often overstated which exposed the Society to additional interest charges.

ACTION

7.2.11 The Development Update paper was noted by the Board. It was proposed by Maxine Smith and seconded by Donna Smith.

7.3 Covid Update & Temporary Policy Changes

7.3.1 Lisa presented the CRD Options Appraisal paper to the Board and informed them that the paper was for decision, and not for its information as suggested by the agenda.

7.3.2 The Board enquired if there was a plan to manage holiday carryover of staff, such as introducing enforced holiday.

7.3.2 Lisa responded that the need for staff to continue to use their holiday throughout the pandemic had been considered early on. The HR Team had sent out regular communications to staff setting out that the allowable holiday carry over of five days would not be extended and that holidays would be lost if they were not taken.

7.3.3 Laurie added that she had taken legal advice about the rights of staff to carry over holiday and that there was no requirement to change the provisions currently in place. It was added that operational managers had been informed of staff who had high levels of holidays left to take as there was a welfare concern here as well as a business concern to be addressed.

7.3.4 Laurie continued that the GMB had been consulted about furlough and holiday arrangements throughout the pandemic. It had been decided as a gesture of goodwill, not to enforce holidays but to instead regularly communicate with staff about the need to take them.

7.3.5 The recommendations made within the Covid Update & Temporary Policy Changes paper were agreed by the Board. This was proposed by Donna Smith and seconded by Clea Warner.

8. EVICTION REPORT

8.1 Not currently applicable.

9. DRAFT MINUTES OF COMMITTEE MEETINGS

9.1 No approved Committee minutes since the last meeting of the Board.

10. AOCB

10.1 Additional Security Request

10.1.2 Andrew advised the Board that the Society needed to put in place additional security for a loan facility with RBS. A paper would be shared with the Board for its approval outwith the usual meetings.

Lisa left the meeting at this point.

10.2 Confidential Item

11. DATE OF FUTURE MEETINGS

11.1 Next Board Meeting is Tuesday 30 March 2021 at 10:30am via Teams.

The meeting then came to an end.