

FINAL Albyn Housing Society Board Meeting |MINUTES

Date: Tuesday 15 December 2020
Time: 10.00am
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
Raymond Bremner		

In Attendance

Lisa Buchanan, Chief Executive Office	Laurie MacLeod, Head of HR	Morag Beers, Interim Director of Assets
Dom Jordon, Interim Director of Operations Corporate Officer, minutes	Andrew Martin, Director of Finance & Corporate Services Executive Assistant	

ACTION

1. APOLOGIES

- 1.1 Apologies were received from Paul Adams.
- 1.2 Carl Patching and Nicola Drummond had advised that they would be late to the meeting.

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 29 September 2020
 - 4.1.1 The minutes of the last Board meeting were agreed as accurate and proposed by Ian Fosbrooke and seconded by Jim Convery.
- 4.2 Matters Arising: Tuesday 29 September 2020
 - 4.2.1 A written update on the action items had been provided and was reviewed.

- 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 Rent Increase & Service Charge Consultation Proposal
- 5.1.1 Andrew Martin sought approval from the Board for the rent increase and service charge tenant consultation proposal.
- 5.1.2 The approach to tenant consultation concerning the annual rent increase for the 2021/22 financial year were presented to the Board.
- 5.1.3 The particular challenges to financial planning, where rental increase was linked to the CPI when interest rates were low, was highlighted.
- 5.1.4 With regard to the development of the rent increase options proposed, the Board enquired if the potential impact of Brexit on costs had been considered.
- 5.1.5 Andrew responded that Brexit had the potential to increase the cost of components for planned maintenance and repairs, and within the development programme; however, it would be difficult to quantify any impact. It was confirmed that no feedback had been received from contractors to suggest that there would be any increase in costs.
- 5.1.6 The Board commented that there might be other levers the Society might draw upon if rents were increased at the lowest option, for example, staff costs, pay awards, and interest rates.
- 5.1.7 Carl Patching joined the meeting at this point.
- 5.1.8 The Board commented that the full economic impact of the pandemic may still be to come with the end of furlough in March 2021; therefore, it might be preferable to offer the lower rent increase option to tenants if the Society can afford it.
- 5.1.9 To provide context, the CEO informed the Board that she had been in contact with other RSL's in the area as part of the Highland & Island Liaison Group and advised that the highest rent increase being discussed was around 1.9%. Within the wider RSL sector, increases of 2.5% were being considered.
- 5.1.10 It was confirmed to the Board that within the consultation paper provided to tenants, a commentary on rent increases made across the sector for the previous year would be provided.
- 5.1.11 It was suggested to the Board that a further option to consider would be a 'floor' option. With this option, should inflation fall any further, the Society would introduce a floor protection, e.g. rent increase would always be a minimum of 1.5% each year, irrespective of the CPI.
- 5.1.12 It was explained to the Board that the financial model that was previously used for borrowing money to fund housing development was based upon an assumption of CPI+1%.
- 5.1.13 A general discussion followed about the need to consult with tenants about future development, how this is funded, and the impact it has on financial planning.

ACTION

- 5.1.14 The approach to tenant consultation concerning the methodology for applying service charges for the 2021/22 financial year was presented to the Board by the DFCS.
- 5.1.15 The Board commented that the Leadership Team should be prepared for complaints if the service charge was to increase.
- 5.1.16 Andrew agreed that it was a divisive issue and that tenants paying the full service charge might be aggrieved that others are not paying it, but that the consultation was part of moving towards greater equity in a managed way.
- 5.1.17 The Board enquired if it was policy or aspiration to move towards 100% recovery of service charge costs.
- 5.1.18 Andrew responded that it was part of the Service Charge Policy; however, in reality it was more of an aspiration.
- 5.1.19 The rent Increase & service charge consultation proposals were proposed by Carl Patching and seconded by Maxine Smith.

- 5.2 Business Plan Mid-Year Performance Update
- 5.2.1 Lisa Buchanan presented a mid-year update on performance against the Business Plan for approval by the Board.
- 5.2.2 Lisa began by setting out performance for the core business of the Society.
- 5.2.3 Raymond Bremner joined the meeting at this point.
- 5.2.4 With regard to Project Phoenix, the Vice Chair and Chair of Audit suggested that they would like to review the detailed project plan.
- 5.2.5 The Interim Director of Operations agreed an **action** to provide the Vice Chair and Chair of Audit with the detailed Project Phoenix project plan.
- 5.2.6 It was confirmed to the Board that current business readiness activities were due to be concluded at the end of the year, with implementation scheduled for January 2021. It was added that 'business readiness' itself would always be an ongoing programme throughout each stage of the project.
- 5.2.7 Raymond Bremner left the meeting at this point.
- 5.2.8 The Board recognised that the current Leadership Team had inherited a number of problems and were pleased to see the progress that had been made despite these issues and the challenges of the pandemic.
- 5.2.9 There was a general discussion about if it would be beneficial to establish a timebound Committee to oversee the transformation process and it was agreed that this would be considered next year
- 5.2.10 Lisa set out performance for the response to the pandemic and continued on to performance for the transformation element of the business plan.
- 5.2.11 There was a discussion about the level of seniority of the Change Manager and if this position should be at Director level.
- 5.2.12 Raymond Bremner joined the meeting at this point.

ACTION

5.2.13 It was advised that the Leadership Team would aim to drive change with the current resource available but keep the possibility of changing the seniority of the Change Manager as the transformation project moved forward.

5.2.14 The Business Plan mid-year performance update was noted by the Board and proposed by Maxine Smith and seconded by Donna Smith.

5.3 Governance Matters

5.3.1 Remuneration Committee Remit & Membership / External Representation

5.3.1.1 Andrew Martin presented the Remuneration Committee Remit and membership to the Board for approval.

5.3.1.2 The Board agreed the membership of the Remuneration Committee proposed within the paper.

5.3.1.3 The Board enquired about what level of delegated authority the Remuneration Committee had.

5.3.1.4 It was confirmed that the Remuneration Committee could set the framework for Board and Senior Officer remuneration but was limited to making recommendations to the Board for its approval.

5.3.1.5 The Director of Finance & Corporate Services agreed an **action** to include discussion of reviewing the delegated authority of the Remuneration Committee on the agenda for its next meeting.

5.3.1.6 With regards to Board representation with external bodies, the proposals within the paper were agreed by the Board, and the Chair asked that Members contact them if they were interested in becoming the SFHA representative.

5.3.1.7 There was a general discussion about the Highland Housing Alliance and the CEO agreed an **action** to bring a proposal about representation with this body to the next Board meeting.

5.3.1.8 The Remuneration Committee remit & membership / external representation recommendations were proposed by Maxine Smith and seconded by Raymond Bremner.

5.3.2 Code of Governance

5.3.2. Andrew Martin sought Board approval of the recommendation that the Society should not adopt the National Housing Federation Code of Governance.

5.3.2.1 It was outlined that this recommendation had been made by the former internal auditors of the Society who worked solely with English RSLs. Discussions with the newly appointed internal auditors, Wylie & Bisset, who work with numerous Scottish RSLs confirmed that it did not have experience of Scottish RSLs adopting this Code of Governance.

5.3.2.2 It was added that the NHF Code of Governance was more applicable to English RSLs, whilst the SHR Regulatory Framework was more suited to those in Scotland.

5.3.2.3 The recommendation not to adopt the NHF Code of Governance was proposed by Raymond Bremner and seconded by Jim Convery.

ACTION

5.4 *Item 5.4 - Information redacted under Section 33(1) of the Freedom of Information (Scotland) Act 2002 exemptions (Commercial Interests).*

5.6 New Build Update

5.6.1 Nicola Drummond joined the meeting at this point.

5.6.2 It was noted that this agenda item 5.5 was postponed until after items 5.6 and 5.7

5.6.3 Morag Beers presented an update on new build development and sought Board approval for the purchase of 52 newly developed homes across 5 locations from the Highland Council.

5.6.4 The Board asked that it be noted that the proposals within the paper were within the planned budget for the development programme.

5.6.5 The Board requested that future updates contain individual project costs.

5.6.6 Morag responded that the Assets Team is in the process of improving reporting metrics for development and will be able to provide a more detailed overview to the Board in future.

5.6.7 The proposal set out in the New Build Update paper was proposed by Donna Smith and seconded by Jim Convery.

5.7 Aviemore Biomass Replacement

5.7.1 Homologation of Chair's approval for the replacement of the backup biomass boiler in Aviemore was sought from the Board.

5.7.2 It was confirmed to the Board that whilst Albyn does not own nor is responsible for repairs to the main boiler, it is liable for repairs to the backup boiler.

5.7.2 The Board suggested that the levels of delegated authority for the CEO be reviewed so that this type of essential maintenance did not need to be approved at Board level.

5.7.3 The Director of Finance & Corporate Services agreed an **action** to bring a review of delegated authority to the Board as part of the regular 'Governance Matters' item.

5.7.4 The homologation of Chair's decision to replacement the biomass boiler was proposed by Fiona Mustarde and seconded by Jim Convery.

5.5 Hardship Fund Review

5.5.1 It was noted that this agenda item was heard after items 5.6 and 5.7

5.5.2 Dom Jordon presented a review of the Hardship Fund during the pandemic to the Board and sought its approval of recommendations for how it might be continued in future.

5.5.3 The Board highlighted the importance of making sure that tenants were aware of the fund and knew how to access it. It added that the end of furlough in March 2021 might see the economic impact on tenants worsen and suggested that the Leadership Team might want to consider a higher budget for the Hardship Fund in year 1.

5.5.4 It was agreed that the Leadership Team would consider this suggestion within the overall budget that would be presented to the Board.

ACTION

- 5.5.5 The Board agreed in principle to the recommendation that the Hardship Fund be continued, with more detailed figures to be provided to it as part of the overall budget.
- 5.5.6 The recommendations set out in the Hardship Fund Update were proposed by Donna Smith and seconded by Jim Convery.

6. POLICY PROPOSALS & REVIEW

6.1 Procurement Policy

- 6.1.1 Andrew Martin presented the Procurement Policy to the Board for its approval.
- 6.1.2 It was highlighted to the Board that the policy would form part of an overall procurement strategy that was being developed. It was added that up to this point the Society might not have been complying with all relevant procurement legislation, such as the Procurement Reform Scotland Act, 2014. This is because it was expected that Albyn may have well in excess of £5million in regulated activity which requires a procurement strategy to be in place.
- 6.1.3 The Board enquired if noncompliance with procurement legislation would be a notifiable event to be reported to the SHR.
- 6.1.4 Lisa Buchanan responded that they would be meeting with the Society Regulation Manger in January 2021 and agreed an **action** to bring this to their attention for discussion.
- 6.1.5 The Board enquired if Brexit would impact upon the legislation to be followed.
- 6.1.6 The Board were informed that relevant European Union regulation has been written into UK law and so the Society will still need to comply with it. all
- 6.1.7 With regard to GDPR, the Board were assured that the Society's approach to this was covered within the existing Data Protection Policy.
- 6.1.8 The Board asked who owned the Contracts Register.
- 6.1.9 The Board were informed that it was traditionally owned by the Assets Team but that this was likely to be reviewed at an operational level. It was confirmed that the Society does not have an obligation to publish the register.
- 6.1.10 Clea Warner left the meeting at this point.
- 6.1.11 The Procurement Policy was proposed by Maxine Smith and seconded by Fiona Mustarde.
- 6.1.12 Morag Beers left the meeting at this point.

6.2 Treasury Management Policy

- 6.2.1 Andrew Martin presented to the Treasury Management Policy to the Board for its approval.
- 6.2.2 It was pointed out the Board that the policy had undergone a major update 2 years previously and that the policy presented had minor amendments to reflect changes in job titles and roles.

ACTION

6.2.3 The Treasury Management Policy was proposed by Maxine Smith and seconded by Jim Convery.

6.3 Financial Regulations

6.3.1 Andrew Martin presented the Financial Regulations to the Board for its approval.

6.3.2 It was highlighted that the updates made to the Financial Regulations were minor and reflected changes to job titles and roles.

6.3.3 The Financial Regulations were proposed by Raymond Bremner and seconded by Jim Convery.

7. INFORMATION PAPERS

7.1 SHR Self-Assessment Exception Report

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

7.1.2 The Board noted the contents of the report.

7.2 Staff Survey Update

7.2.1 The HHR provided the Board with an update on the most recent staff survey carried out in August and September 2020.

7.2.2 The process, responses and actions taken by the Leadership Team to seek information from staff about their experience of the current remote working arrangements, and action taken to address any concerns were highlighted.

7.2.3 The Board enquired if the Leadership Team had considered making payments to staff to support them with the costs of homeworking, such as heating and electricity costs.

7.2.4 The HHR responded that there had been regular Leadership Team discussions about this, and advice had been provided to staff about how they could claim homeworking tax relief from HRMC.

7.2.5 The HHR is working with GMB to review the impact of changes to terms and conditions related to the pandemic including car allowances, mileage and payments for homeworking.

7.2.6 The Board noted the low participation rates for the HRI Team and Customer Services South Team but welcomed the overall improvement in results since the previous survey in June 2020.

7.2.7 Raymond Bremner left the meeting at this point.

7.3 *Item 7.3 - Information redacted under Section 33(1) of the Freedom of Information (Scotland) Act 2002 exemptions (Commercial Interests).*

8. EVICTION REPORT

8.1 Not currently applicable.

9. DRAFT MINUTES OF COMMITTEE MEETINGS

9.1 The Chair invited the Board to put questions to the Committee Chairs regarding the draft Committee meetings.

9.2 Board Members had no questions to raise.

10. AOCB

10.1 The Vice Chair suggested that a timebound Change Committee be established to oversee the current Transformation programme.

11. DATE OF FUTURE MEETINGS

11.1 Next Board Meeting is Thursday 28 January 2021 at 10:30am via Teams.

The meeting then came to an end.