

FINAL Albyn Housing Society Board Meeting |MINUTES

Date: Tuesday 29 March 2022
Time: 6:00pm
Location: Invergordon Office / Virtually via 'Teams'

Members Present

Lesley McInnes, Chair (virtual)	Carl Patching, Vice Chair (virtual)	Ian Fosbrooke, Secretary
Jim Convery	Nile Istephan (virtual)	Clea Warner
David Cargill (virtual)	Fiona Mustarde (virtual)	Angela Currie (virtual)

In Attendance

Kirsty Morrison, Interim CEO	Andrew Martin, Director of Finance & Corporate Services (DoFCS)	Laurie Macleod, Head of HR (HoHR)
Morag Beers, Director of Assets & Property Services (DoAPS)	Maureen Knight, Interim Director of Customer Services (DoCS)	Audrey Murphey, Interim Director of Governance & Business Improvement (DoGBI), (virtual)
Laura Morgan, Corporate Officer (minutes)	Brett Fletcher, Executive Assistant	

ACTION

1. APOLOGIES

- 1.1 There were no apologies noted.
- 1.2 The Chair noted the passing away of Board Member Isabell McLaughlan and the Board expressed its sadness at this news.

2. CONFLICT OF INTEREST

- 2.1 No interests were noted.

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 Minute of the last meeting of the Board on 22 February 2022

- 4.1.1 The minute of the last Board meeting was agreed as accurate and proposed by David Cargill and seconded by Fiona Mustarde.

FINAL Albyn Housing Society Board Meeting |MINUTES

ACTION

4.2 Matters Arising: 22 February 2022

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

4.3 Minute of the Special Board meeting on 03 March 2022

4.3.1 The minute of the Special Board meeting was agreed as accurate and proposed by Jim Convery and seconded by David Cargill.

4.4 Matters Arising: 03 March 2022

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

5. DECISION PAPERS

5.1 Business Plan

5.1.1 The Interim CEO delivered a presentation to the Board on the new Albyn Housing Society Business Plan 2022-27 and sought Board approval of it.

5.1.2 The presentation set out the changes to the vision, mission, and values of the organisation which had been informed by output from the Board Strategy Day; and staff, Board, and Operational Management Team sessions with Tree of Knowledge.

5.1.2 The strategic objectives of the Society remained the same, but it was noted that the Society wanted to move toward providing support to customers beyond a basic transactional relationship.

5.1.3 The revised Engagement Plan that had recently been issued by the Scottish Housing Regulator (SHR) to the Interim CEO was highlighted. The Interim CEO advised that the Leadership Team was disappointed about the change in status to 'Compliant (under review)' and the addition of 'financial management' to the items that the SHR would be engaging with the Society on. The Board was advised that the new approach of the SHR was to include 'financial management' within plans for any Registered Social Landlord (RSL) that was of systemic importance and that had a medium level of engagement, and that the inclusion of this point was not a reflection of the financial stewardship of the Society. The plan and status of the Society would be reviewed again by the SHR in May. It was added that the updated Engagement Plan would be published on Thursday and that staff would be briefed on it.

5.1.4 The stock condition survey was highlighted as the biggest priority for the Society and the Interim CEO advised that procurement for this was underway and a preferred supplier had been agreed.

5.1.5 The Board requested a refinement to the opening words of the vision statement of the organisation to, "Maintain and build quality homes, delivering excellent customer services...." The Interim CEO accepted this as an **action**. **Kirsty Morrison**

5.1.6 There was a discussion about the risk register within the Business Plan and an error was noted for the score given to the risk of recruiting a new CEO. The Board advised that the likelihood and impact score for this risk should be reduced from 3 and 6, to 2 and 5 respectively. The reason being that the score should reflect the experience of the current Board and Leadership Team, as well as the checks and balances that were in place to **Kirsty Morrison**

FINAL Albyn Housing Society Board Meeting |MINUTES

- ACTION**
- manage the risk. The Interim CEO accepted this an **action** to update the risk register accordingly.
- 5.1.7 There was a discussion about the KPIs and it was confirmed to the Board that the operational KPIs contained more detail about development targets. The Board requested that a high level development KPI was added to the strategic KPIs. The Board was advised that completion targets were included within the financial forecasts already, but these could be replicated within the strategic KPIs. The Interim CEO accepted an **action** to update the strategic KPIs to include a high level development KPI. **Kirsty Morrison**
- 5.1.8 The Interim CEO confirmed to the Board that an easy read version of the Business Plan would be made available.
- 5.1.9 The Board advised that the Business Plan would benefit from a clearer route map setting out what the Society was trying to achieve so that the Board could better measure performance. The Interim CEO advised that the Delivery Plan and the strategic KPIs for measuring its implementation would be brought to the next meeting of the Board.
- 5.1.10 The Board agreed that it would benefit from another meeting to discuss the Business Plan before approving the document. The Board accepted an **action** to provide any detailed commentary on the Business Plan to the Interim CEO by the end of 08 April 2022. **Board**
- 5.1.11 The Interim CEO accepted an **action** to bring back an updated version of the Business Plan incorporating Board comments alongside the delivery plan, to the next meeting of the Board in April 2022. **Kirsty Morrison**
- 5.2 Annual Budget & Financial Forecast
- 5.2.1 The DoFCS delivered a presentation to the Board on the Annual Budget & Financial Forecast and sought Board approval of the recommendations made within his report.
- 5.2.2 It was noted that David Cargill briefly left the meeting during the presentation.
- 5.2.3 There was a discussion about the level of contingency that might need to be built into the budget for the outcome of the stock condition survey. The DoFCS advised that capital improvement expenditure resulting from the stock condition survey had not been guessed within the forecast, but that the Society had a range of options it could pursue dependent upon the size of the liability that arises.
- 5.2.4 There was a discussion about the level of contingency that might be needed for EESH2. The DoFCS advised that expenditure on EESH2 would be difficult to define until the stock condition survey had been completed. The DoAPS added that potential funding that might be made available from the Scottish Government also needed to be factored in. The Board advised that extra money from the Scottish Government could not be guaranteed, and that the Society would need to review the pace of the development programme if higher development costs were not met with additional funding.
- 5.2.5 It was confirmed to the Board that the budget for wage inflation was calculated using CPI as its basis.
- 5.2.6 There was a discussion about the high debt profile to units of the Society and that this was forecast to increase. The Board enquired if this was a concern given the new SHR engagement with regard to financial management. The DoFCS advised that it would take a significant period of time to change this situation and that the key thing was to demonstrate to the SHR that the Society was able to manage this position effectively.

FINAL Albyn Housing Society Board Meeting |MINUTES

ACTION

5.2.7 The Board discussed the budget for the Energy Fund and agreed that it should be increased from £60K to £100K.

5.2.8 The following recommendations were considered and approved by the Board:

- The proposed 2022/23 budget
- The long term financial forecast for the next 5 and 30 years
- The submission of the 5 year financial plan to the regulator.
- The increase of the energy fund from £60K to £100K for the year.

These were proposed by Angela Currie and seconded by Fiona Mustarde.

5.3 RBS Funding Agreement

5.3.1 The DoFCS spoke to his paper and sought Board approval of the recommendation made within it.

5.3.2 The Board noted a discrepancy with the address within the extract minute which the DoFCS agreed to update.

5.3.3 The Board approved the recommendation for RBS to be the lender for a £15million facility to support the development programme, and for Andrew Martin to be the authorised signatory. This was proposed by Clea Warner and seconded by Lesley McInnes.

5.4 Biomass Charge Increase

5.4.1 The DoAPS spoke to her paper and sought Board approval for the recommendations made within it.

5.4.2 The Board enquired why the standing charge to customers was not recommended to increase. The DoAPS advised that this charge would not increase so that customers had the opportunity to make efficiencies in their energy use which would offset the increase proposed for the usage charge.

5.4.3 The Board was not opposed to the increase in the usage charge as the current situation of other Society tenants supplementing the cost of providing biomass to a few was not equitable. The Board advised that the timing and communications around the usage increase needed to be managed appropriately. With regards to timing, it suggested that the increase was not implemented until June 2022 given that the Society was not meeting with impacted customers until April 2022. The DoAPS agreed to this timing and assured the Board that communications had been considered and would be carefully managed.

5.4.4 The following recommendations were approved by the Board:

- Daily standing charge to remain at 24 pence per day.
- Usage charge to increase by 5.9 pence per kWh to 18.0 pence per kWh – not to be implemented until June 2022.

These were proposed by Jim Convery and seconded by Fiona Mustarde.

6. GOVERNANCE MATTERS

6.1 Validation of Board Action Plan

6.1.1 The DoGBI delivered a presentation to Board covering agenda items 6.1, 6.2, and 6.3.

6.1.2 There was a discussion about the colour coding of the RAG status of items within the validated Board Action Plan, as items that were 'not started' had been coded as red which was contrary to the principle of RAG reporting. The DoGBI advised the Board that the validation was completed to give a snapshot of progress at the present moment, and red had been applied to any actions 'not started'. This was accepted by the Board.

6.1.3 The Board noted the Validation of the Board Action Plan report.

6.2 Governance Structure – Part One

6.2.1 Angela Currie noted her support for the recommendations made within item 6.3.

Angela Currie left the meeting at this point.

6.2.2 The Board agreed that the current time commitments expected of Members was not sustainable, and that there were also matters outwith usual planned business that required further time to be given, such as grievances and investigations.

6.2.3 The Board noted the Governance – Part One report.

6.3 Governance Structure – Part Two

6.3.1 The DoGBI sought Board approval of the recommendations made within the Governance Structure – Part Two report.

6.3.2 It was confirmed to the Board that the Board of Albyn Enterprises Ltd was working to move the subsidiary to non-trading status and following this, it would only need to meet once per year.

6.3.3 *Fiona Mustarde left the meeting at this point.*

6.3.4 The Board noted its support for the recommendations made within the report but requested that as part of the phased approach outlined, tenant engagement was accelerated. The Board was advised that the Delivery Plan would provide more detail on specific dates for implementation and the Leadership Team accepted an **action** to prioritise tenant engagement within it.

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Team**

6.3.5 The Board approved the following recommendations which were set out in the report:

- Changing the structure of Board and Committees.
- Agenda cycle to be aligned to mandatory submission and strategic purpose.
- Proposal on strategies to be brought to June Board meeting.
- A phased approach for related actions.

These were proposed by David Cargill and seconded by Nile Istephan.

FINAL Albyn Housing Society Board Meeting |MINUTES

ACTION

7. POLICY PROPOSALS & REVIEWS

7.1 None.

8. INFORMATION PAPERS

8.1 Committee Business Planner

8.1.1 Given the approval of item 6.3, the DoGBI advised the Board that a revised Committee Business Planner would be prepared.

8.1.2 The Board noted the update.

9. APPROVED MINUTES OF COMMITTEE MEETINGS FOR NOTING

9.1 The Board noted the approved minutes from the Performance Committee held on 08 December 2021.

10. AOB

10.1 None.

11. DATES OF FUTURE BOARD COMMITTEE MEETINGS

11.1 Given the approval of item 6.3, the Board noted that the Corporate Officer would send out details of new meeting dates.

11.2 It was confirmed that the next meeting of the Board would be 17 May 2022.

12. CONFIDENTIAL ITEM

The Executive Assistant and all members of the Leadership Team, except for the Head of HR, left the meeting at this point.

The meeting ended.