

FINAL Albyn Housing Society Board Meeting | MINUTES

Date: Tuesday 24 May 2022
Time: 6:00pm
Location: Invergordon Office / Virtually via 'Teams'

Members Present

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| Lesley McInnes, Chair (virtual) | Carl Patching, Vice Chair (virtual) | Ian Fosbrooke, Secretary |
| Jim Convery | Nile Istephan (virtual) | Angela Currie (virtual) |

In Attendance

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| Kirsty Morrison, Interim Chief Executive Officer (CEO) | Andrew Martin, Director of Finance & Corporate Services (DF&CS) | Laurie Macleod, Head of HR (HoHR) |
| Morag Beers, Director of Assets & Property Services (DA&PS) | Maureen Knight, Interim Director of Customer Services (DCS) | Audrey Murphey, Interim Director of Governance & Business Improvement (DG&BI), (virtual) |
| Laura Morgan, Corporate Officer (minutes) | | |

ACTION

1. APOLOGIES

1.1 Apologies were noted from David Cargill, Fiona Mustarde, and Clea Warner.

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 and Confidential Minute of Board Meeting: 29 March 2022

4.1.1 The minute of the last Board meeting was agreed as accurate and proposed by Nile Istephan and seconded by Jim Convery.

4.2 Matters Arising: 29 March 2022

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

5. DECISION PAPERS

5.1 Annual Return on the Charter & Energy Efficiency Standard

5.1.1 The DF&CS spoke to his paper and sought Board approval of the Annual Return on the Charter submission to the Regulator.

5.1.2 The DA&PS highlighted to the Board that the Society has missed completing four gas safety checks on time; two were the result of properties having COVID cases resulting in a delay, and two were the result of properties having not been transferred to the appropriate system and therefore not identified as requiring a check. Regarding the first two properties, the gas checks were completed as soon as was possible following the end of the COVID cases. Regarding the error that led to the latter two cases, the Board was advised that the Society was now cross referencing all properties and a monthly audit was also being undertaken to ensure this did not happen again. It was added that there was no reason to suspect there were other similar properties.

5.1.2 The CEO advised the Board that the Society was commissioning an external audit for both electrical safety and gas safety checks to ensure that data held was robust; also, a notifiable event would be submitted to the Regulator with regard to the gas safety issue.

5.1.3 Other than the concern for tenant safety, the Board enquired about any other potential consequences of missing the four gas checks.

5.1.4 The CEO advised that the Regulator offered some leeway to RSLs where checks were missed due to COVID and were then completed as soon as was possible. With regard to the two other missed checks, the Regulator would be presented with a robust plan of the various activities the Society would be carrying out to offer them reassurance that this would not happen again.

5.1.5 With regard to the wider ARC submission, the Board advised that the data had been collected during a period of significant disturbance and that this should be made clearer within the report. It was added that the ARC submission identified customer satisfaction as an area that the Board should be focussed upon in the coming year.

5.1.6 The Board approved the submission of the Annual Return on the Charter & Energy Efficiency Standard to the Regulator. This was proposed by Jim Convery and seconded by Angela Currie.

5.2 5 Year Plan

5.2.1 The DF&CS spoke to his paper and sought Board approval of the 5 Year Plan for submission to the Regulator. It was noted that there had been no changes to the underlying figures presented to Board in March 2022.

5.2.2 The Board commented on the cashflow forecast for year end and noted that the Society would appear to have high cash reserves over the five years detailed in the plan. It enquired if these reserves could be used to reduce the level of borrowing required or could be invested in stock.

5.2.3 The DF&CS advised the Board that the cash resources were required in order that the Society met the covenants of its lenders which required a 1:1 current ratio. The Society always looked to minimise the holding of cash and draw down on debts, whilst ensuring it did not breach covenants – at year end the Society would be at a ratio 1.1:1 and it was not prudent to reduce this any further. The DF&CS added that the Society could

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potentially have the current ratio covenant removed but that this might result in the repricing of loans; this would be investigated as part of ongoing treasury management work.

- 5.2.4 The Board enquired about the assumptions made within the plan regarding general inflation, rent increases, and salary increases.
- 5.2.5 The DF&CS advised the Board that the Society used the Office of Budget Responsibility Consumer Price Index (CPI) long term forecast as it stood at the point in time the plan was prepared. It was added that the Society had undertaken sensitivity modelling, but this had not included inflation being at 10% which it was currently set to be.
- 5.2.6 With regard to rents, the longstanding position of the Society had been that increases were budgeted for at CPI+1%, however, with the current volatility of inflation, this would need to be kept under review within modelling prepared throughout the year.
- 5.2.7 With regard to salaries, the assumption was that employment costs would track CPI and the Society would continue to communicate with the Trade Union on this matter.
- 5.2.8 The Board approved the submission of the 5 Year Plan to the Regulator. This was proposed by Jim Convery and seconded by Nile Istephan.

5.3 Business Plan & Delivery Plan

5.3.1 *Business Plan*

- 5.3.1.1 The CEO presented the business plan to the Board. The plan had been updated following feedback from Members at the last Board meeting.
- 5.3.1.2 The CEO confirmed to the Board that a summary version of the plan would be prepared, and that this would be ready for the forthcoming Board sessions on the Delivery Plan.
- 5.3.1.3 The Board commented that the innovative work being undertaken as part of the FIT Homes Project did not stand out within the document. The CEO agreed that the Society needed to promote this work more effectively and went on to outline some of the successes of the project to date. The CEO accepted an **action** to include a short piece on thought leadership and the FIT Homes Project within the Business Plan.
- 5.3.1.4 The Chair added that it would be helpful for the Board to have a separate document that collated the work on innovation that was being carried out so that it could get a better understanding of the FIT Homes Project. The CEO accepted an **action** to invite the Head of Innovation to deliver a presentation at a future Board meeting.
- 5.3.1.5 The Business Plan 2022-2027 was approved by the Board. This was proposed by Carl Patching and seconded by Angela Currie.

Kirsty Morrison

Kirsty Morrison

5.3.2 *Delivery Plan*

- 5.3.2.1 The DG&BI spoke to her paper and sought approval of the Delivery Plan.
- 5.3.2.2 The Board agreed that the Delivery Plan was a good complementary piece to the Business Plan. It went on to question if the thinking and planning required to prepare for work in the areas of sustainability and zero carbon was adequately reflected within the document.
- 5.3.2.3 There was a discussion about these areas of work and the DA&PS updated the Board on the Climate Action Town initiatives in Alness and Invergordon which the Society was

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participating in; also, the Assets Team were completing training in these areas, and it formed part of recruitment requirements for new staff. It was added that the completion of the Stock Condition Survey and Asset Management Strategy would push sustainability and net zero carbon up the agenda.

5.3.2.4 It was agreed that a Board level discussion with the Leadership Team on these areas would be helpful. It was also agreed that making net zero carbon accessible and understandable to staff and customers was key, and that the Society should consider carbon literacy training.

5.3.2.5 The Board requested that active verbs be used within the Delivery Plan to make it clear what the expectations on delivery were, e.g. fully completed, partially implemented. Also, the Board requested that the relationship between the Delivery Plan and forward planning for Board decision making be set out. The DG&BI accepted an **action** to update the Delivery Plan accordingly.

**Audrey
Murphy**

5.3.2.6 The Board advised that the number of actions within the Delivery Plan was very ambitious which might prove challenging; the Leadership Team would need to be agile in its response should some items become undeliverable. The DG&BI advised the Board that many actions within the Delivery Plan were already underway or would be completed shortly. It was added that the Leadership Team would be reviewing a detailed plan of actions required in the coming week, which might result in a reduction in the number of actions. This detailed plan would be shared with the Board at the forthcoming Delivery Plan sessions.

5.3.2.7 The Board requested some additional explanatory commentary for the 'Governance, Regulation, Compliance' chart. The DG&BI accepted an **action** to update the Delivery Plan accordingly.

**Audrey
Murphy**

5.3.2.8 To bring the Delivery Plan to life, it was requested that some ten minute briefings be arranged where operational managers presented a snapshot of what was going on within the Society to the Board. The CEO concurred with this suggestion and accepted an **action** to arrange this for future meetings.

**Kirsty
Morrison**

5.3.2.9 The Delivery Plan was approved by the Board. This was proposed by Angela Currie and seconded by Nile Istephan.

5.4 Mid Market Rental Allocation

5.4.1 The DA&PS spoke to her paper and sought Board homologation of the Chair's decision to approve the allocation of a Highland Residential MMR property to someone closely connected to an Albyn Group employee.

5.4.2 The Board homologated the Chair's decision. This was proposed by Nile Istephan and seconded by Jim Convery.

5.5 Albyn Housing Society Allocation

5.5.1 The DCS spoke to her paper and sought Board homologation of the Chair's decision to approve the allocation of an Albyn Housing Society property to someone closely connected to a former Albyn Group employee.

5.5.2 The Board homologated the Chair's decision. This was proposed by Nile Istephan and seconded by Jim Convery.

5.6 Remuneration Committee Remit

5.6.1 The DG&BI sought Board approval of an update to the Remuneration Committee Remit which had been recommended by the Committee at its meeting on 17 May 2022.

5.6.2 There was a general discussion about the remuneration process for the organisation. The DG&BI advised the Board that as the Society was not part of EVH, it was necessary to have a separate Remuneration Committee to consider CEO and Director pay and conditions, whilst staff pay and conditions were negotiated with the GMB Trade Union.

5.6.3 The DG&BI advised that there had been a small update to the remit since it had initially been sent to Board, this was to include a sentence within it setting out that the Remuneration Committee must take recognition of the pay award that had been negotiated for staff when deciding the pay award for the CEO and Directors.

5.6.4 The Board approved the update to the Remuneration Committee Remit and the additional sentence as noted in 5.6.3. This was proposed by Jim Convery and seconded by Angela Currie.

6. **INFORMATION PAPERS**

6.1 Project Phoenix Verbal Update

6.1.1 The DCS gave a verbal update on Project Phoenix to the Board. The new housing management system would be live on 26 May 2022, following a soft launch on 25 May 2022. The commitment from the Project Team and staff had been outstanding with huge amounts of work being put into ensuring that all staff were trained to use the system. Training had shown staff the benefits of the system and the DCS reported that engagement was high. The collaborative working between the Finance Team and the Customer Services Team was noted. Communications had been given to customers to alert them that there might be some delays and system disruptions during a period of consolidation as staff familiarises itself with the system.

6.1.2 The Board welcomed the update and congratulated staff on this achievement.

6.2 Change of Business Hours via Emergency Procedure

6.2.1 A report from the DG&BI proposing a change of business hours had been issued to Members under the emergency procedure of the Standing Orders on 17 May 2022.

6.2.2 It was noted that the Board had approved the report, and in accordance with the Standing Orders, a signed copy of it had been provided for the information of the Board.

6.2.3 The DG&BI thanked the Board for its consideration of the report and added that staff felt very supported by the decision to approve it.

7. **APPROVED MINUTES OF COMMITTEE MEETINGS FOR NOTING**

7.1 The Board noted the approved minutes from the Audit & Risk Management Committee held on 21 December 2021, and the Remuneration Committee held on 26 October 2021.

ACTION

8. AOB

8.1 Staff Pay Award Verbal Update 7.24

8.1.1 The HHR sought Board approval of the 2022/23 staff pay award negotiated by the Society with the GMB Trade Union. Board Members had been sent an email setting out the agreed pay award for their consideration.

8.1.2 The Board approved the 2022/23 staff pay award. This was proposed by Carl Patching and seconded by Jim Convery.

8.2 Govenda Verbal Update

8.2.1 The DG&BI gave a verbal update on the Govenda Board meeting system. Members were advised that future meeting invites had only been issued via Govenda and not via Outlook. Members would be contacted to find out their preferred email address for receiving meeting notifications to support their diary management. This was part of a process to improve administration and the DG&BI would contact Members in due course with further information.

8.2.2 The update was noted by the Board.

9. DATES OF FUTURE BOARD COMMITTEE MEETINGS

9.1 The dates of upcoming meetings were noted by the Board.

10. CONFIDENTIAL ITEM

The Leadership Team, except for the Head of HR, left the meeting at this point.

10.1 Confidential Item

10.2 Confidential Item

The meeting ended.