

FINAL Albyn Housing Society Board Meeting |MINUTES

Date: Tuesday 28 June 2022
Time: 6:00pm
Location: Invergordon Office / Virtually via 'Teams'

Members Present

Carl Patching, Vice Chair	Ian Fosbrooke, Secretary	Fiona Mustarde
Clea Warner	David Cargill	

In Attendance

Andrew Martin, Director of Finance & Corporate Services (DF&CS)	Morag Beers, Director of Subsidiaries & Property Services (DS&PS)	Laurie Macleod, Head of HR (HoHR)
Audrey Murphey, Interim Director of Governance & Business Improvement (DG&BI)	Maureen Knight, Interim Director of Customer Services (DCS)	Laura Morgan, Corporate Officer (minutes)
Caroline Madden, Repairs & Maintenance Manager		

ACTION

1. APOLOGIES

- 1.1 The Board welcomed Caroline Madden to the meeting.
- 1.2 Apologies were noted from Kirsty Morrison, Lesley McInnes, Jim Convery, Nile Istephan, and Angela Currie.

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. OMT UPDATE

4.1 Stock Condition Survey & Asset Management Strategy

- 4.1.1 Caroline Madden gave a presentation to the Board on the Stock Condition Survey and Asset Management Strategy.
- 4.1.2 The Board enquired if stock was cloned as part to the Stock Condition survey. Caroline advised the Board that the percentage of stock to be cloned would be relatively low as the Asprey database contained a good amount of data that could be used for the survey. The Board was advised that as part of the approach to the survey, properties which

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presented the greatest risk had been identified, such as mortgage to rent and off the shelf properties.

4.1.3 The Board was advised that great progress had been made by the Assets Team in the past three months with regard to tenant safety. It was confirmed to the Board that over 90% of LD2s had been completed and that weekly reports on progress were being made to the DG&BI.

4.1.4 The Vice Chair thanked Caroline on behalf of the Board and welcomed her efforts which provided the Board with assurance.

Caroline Madden left the meeting at this point.

5. PREVIOUS MEETING

5.1 Minute and Confidential Minute of Board Meeting: 24 May 2022

5.1.1 The minute of the last Board meeting was agreed as accurate and proposed by Ian Fosbrooke and seconded by Carl Patching.

5.2 Matters Arising: 24 May 2022

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

5.3 CEO Recruitment Package – via Emergency Procedure (item 10.1 on agenda)

5.3.1 As per the Standing Orders, the Chair reported the decision resulting from this report issued under the emergency procedure to the Board. It was noted that all recommendations within the report were approved by a majority of Members on 24 May 2022.

6. DECISION PAPERS

6.1 Q4 Performance Report

6.1.1 The Leadership Team presented the Q4 Performance Report. It was noted that this report had previously been taken to the Performance Committee.

6.1.2 The Society was performing well in arrears which was the result of a consistent approach and of the hard work of the Customer Services Team. Notice of Proceedings had increased which was also the result of a consistent approach being applied to this process by the Customer Services Team. The DCS added that any evictions were deemed a failure by the Customer Services Team who worked to sustain all tenancies. It was noted that 13 tenancies had been sustained through Housing Officers arranging COVID-19 government grants. The Board welcomed the support being provided to customers

6.1.3 The DCS suggested that more work was needed to tackle void loss days. The Board advised the Leadership Team that quality of housing was more important than revenue when considering these figures. There was a discussion about the cause of void loss days and the DCS reported a post pandemic lag with regard to contractor availability. It was added the Society needed to improve void loss days by working with asset colleagues and contractors to drive performance and improve efficiencies.

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- 6.1.4 There has been a lag in the component replacement programme due to the availability of parts.
- 6.1.5 The development programme going forward was likely to be subject to additional inflationary costs that would need to be closely monitored. These increases were impacting the region as a whole and had been discussed at a recent HUB meeting that the DS&PS attended. The Board agreed that costs needed to be monitored and advised that the Society commitment to develop up to 100 homes needed to make financial sense at all times. The DF&CS advised that the Society was working with the Scottish Government to increase grant interventions for developments, however, this additional review of tenders did cause delays to the approval process. It was added that the Society states within its tender appraisals that it would not make financial sense for the Society to borrow more money to finance developments, as it cannot develop housing that would deliver a loss.
- 6.1.6 There was a discussion about the rate of inflation and how this would impact the annual rent increase which used the Consumer Price Index as its basis (forecast to be at 11% in September 2022). The Board advised that this matter needed to be considered carefully in advance of the September rent increase proposals and that the Leadership Team should be creative in preparing proposals for the consideration of the Board. The DF&CS advised that a paper would be brought to Board which would include modelling of various options, and that tenants would also be consulted on the rent increase. The DG&BI added that there would likely be pressure to keep rent rises low and cut spending, and suggested that a Special Board meeting might need to be called to discuss this single issue in depth.
- 6.1.7 The DF&CS highlighted that staff turnover had halved since last year which the Board welcomed as it showed increased staff satisfaction.
- 6.1.8 The Vice Chair noted the thanks of the Board to the Leadership Team for its efforts for which improvements were now being demonstrated within the Performance Report.
- 6.1.9 The Board approved the Q4 Performance Report. This was proposed by Fiona Mustarde and seconded by David Cargill.
- 6.2 Q4 Management Accounts
- 6.2.1 The DF&CS sought Board approval of the Q4 Management Accounts.
- 6.2.2 There had been a surplus £4.3M but that this did not include a pension gain of £1M. The accounts had been reforecast in October 2021 and the Society had expected some cost lines to increase, but in reality, there had been underspend in staffing costs and cyclical maintenance.
- 6.2.3 It was noted that the Audit & Risk Management Committee had discussed how underspends could be reduced. The Committee had recommended updated forecasting as part of the quarterly management accounts, and this was being taken forward by the DF&CS. The Board enquired if the Society was now in a position to fully spend in the area of cyclical maintenance. The DS&PS advised that the underspend in this area was being addressed through improved contract management and was not envisaged to continue.
- 6.2.4 The Board approved the Q4 Management Accounts. This was proposed by Fiona Mustarde and seconded by Clea Warner.

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6.3 Annual Governance Report

6.3.1 The DG&BI spoke to her paper and sought Board approval of the recommendations made within Annual Governance Report

6.3.2 The Board discussed the recommendations to improve the appraisal process and were supportive of the DG&BI developing it to be more proactive and engaging. It was noted that the Board should seek to upskill specific Members in different areas to create a diverse Board. It was suggested that it might be useful to run some training events inhouse to avoid the risk of cancellation by external providers.

6.3.3 The Board requested that a training and development proposal be drafted for it to consider. The DG&BI accepted this **action**.

**Audrey
Murphy**

6.3.4 The Board approved the recommendations within the paper to:

- Bring forward the timing of the appraisal process as detailed
- Develop the self-assessment as detailed
- Sign off the succession and recruitment plans

This was proposed by Clea Warner and seconded by David Cargill.

6.4 Summary Business & Delivery Plan

6.4.1 The DG&BI gave a verbal update on the Summary Business & Delivery Plan.

6.4.2 It was noted that a design company was in the process of creating the document and that it would be provided to Members for comment within the week. It was confirmed to the Board that the Leadership Team had been giving an opportunity to review the document.

6.5 Health & Safety Report

6.5.1 The DF&CS presented the Health & Safety Report to the Board for its approval.

6.5.2 It was noted that the Society had a new Health & Safety Manager in place was re-establishing compliance within the offices now that they had opened up. There was nothing significant within the report that the DF&CS wished to draw the attention of the Board to.

6.5.3 The Board approved the Health & Safety Report. This was approved by David Cargill and seconded by Fiona Mustarde.

6.6 Annual Financial Statements 2021/22 & Letter of Representation

6.6.1 The DF&CS sought Board approval of the Annual Financial Statements & Letter of Representation. It was noted that the statements had been scrutinised by the Audit & Risk Management Committee.

6.6.2 The DF&CS advised that the Society needed to issue a letter of support to Albyn Enterprises Ltd to underwrite the intra-company balances whilst it moved the subsidiary towards dormancy.

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6.6.3 The Board acknowledged the effort from the DF&CS and his Team in delivery of the statements and the positive feedback received from the auditors.

6.6.4 The Board approved the Annual Financial Statements 2021/22 & Letter of Representation. This was proposed by Fiona Mustarde and seconded by Clea Warner.

6.7 Loan Portfolio Annual Return

6.7.1 The DF&CS sought Board approval of the Loan Portfolio Annual Return to the Scottish Housing Regulator.

6.7.2 The Board approved the Loan Portfolio Annual Return for submission to the Scottish Housing Regulator. This was proposed by David Cargill and seconded by Carl Patching.

7. INFORMATION PAPERS

7.1 None this cycle.

8. APPROVED MINUTES OF COMMITTEE MEETINGS FOR NOTING

8.1 The Board noted the approved minutes from the Audit & Risk Management Committee held on 19 April 2022.

9. AOB

9.1 The Vice Chair formally noted that Kirsty Morrison had been appointed as Chief Executive Officer of the Albyn Group after a robust recruitment process. The Board extended its congratulations to the new Chief Executive Officer.

10. DATES OF FUTURE BOARD COMMITTEE MEETINGS

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

11. CONFIDENTIAL ITEM

The Leadership Team, except for the HHR & DG&BI left the meeting at this point.

11.2 Confidential Item

The meeting ended.