

FINAL Albyn Housing Society Board Meeting | MINUTES

Date: Tuesday 28 January 2025
Time: 6:00pm
Location: Teams

Members Present

Lesley McInnes,
Chair

Clea Warner,
Vice Chair

Ian Fosbrooke,
Secretary

Carl Patching
Member

Niall Owen,
Member

Scott MacLeod,
Member

Lynne Holburn,
Member

Jackie Bugden,
Member

In Attendance

Kirsty Morrison,
Chief Executive Officer,
(CEO)

Maureen Knight,
Executive Dir. of Operations
(ExDO)

Andrew Martin,
Executive Dir. of Group Services
(ExDGS)

Laurie MacLeod
Head of HR
(HHR)

Laura Morgan,
Corporate Governance Manager
(CGM) - minute

ACTION

1. APOLOGIES & WELCOMES

- 1.1 Apologies had been received from Fiona Mustarde and Craig Levy.
- 1.2 It was noted that Craig Russell was on a leave of absence.

2. STANDING ITEM

- 2.1 Board Remit
- 2.2 The Chair confirmed that the meeting met the quorum as set out within the Board Remit.

3. CONFLICT OF INTEREST

- 3.1 It was noted that the following tenant Members had an interest in agenda item 5.1 Annual Rent Increase: Scott MacLeod, Jackie Bugden, and Ian Fosbrooke. The Chair confirmed that this interest could be managed without the need for said Members to excuse themselves from the meeting.

4. PREVIOUS MEETING

- 4.1 Minute of Board Meeting: 27 November 2024
 - 4.1.1 The minute of the meeting was approved. This was proposed by Lynne Holburn and seconded by Scott Macleod.
- 4.2 Confidential Minute of Board Meeting: 27 November 2024
 - 4.2.1 The confidential minute was approved. This was proposed by Lynne Holburn and seconded by Scott MacLeod.
- 4.3 Confidential Minute of Special Meeting: 10 December 2024
 - 4.3.1 The confidential minute was approved. This was proposed by Jackie Bugden and seconded by Lynne Holburn
- 4.3 Matters Arising
 - 4.3.1 A written update on the action items had been provided and was reviewed. All actions were complete or in progress.
 - 4.3.2 The Chair noted that she would have a discussion with the CGM regarding some changes to the action log that might be implemented.

ACTION

- 4.3.3 The Board noted that there were three outstanding actions from 2023 and requested that these be completed, or timescales for their completion be provided at the next meeting.

5. DECISION PAPERS

5.1 Annual Rent Increase

- 5.1.1 The ExDGS spoke to his report and sought approval of the annual rent increase.
- 5.1.2 There was a discussion about the increase of employer's national insurance rates and the impact this will have on Albyn. It was agreed that this should not form part of the consideration of the annual rent increase, as due to the timing of the changes to national insurance, this did not form part of the discussions around the consultation options offered to tenants. The ExDGS confirmed that the covenant headroom could absorb the cost of the national insurance increase without the need to pass this onto tenants.
- 5.1.3 The Board enquired about Fair Rent Scottish Secure Tenancies. The ExDGS advised that these tenancies sat outside of the annual rent increase imposed by Albyn and were instead decided by the Scottish Government Rent Officer on a three year cycle. There were only around 27 of these tenancies remaining and the number would continue to reduce.
- 5.1.4 There was a discussion around whether to communicate sector comparisons of rent increases to tenants, to demonstrate the affordability of Albyn rents. The ExDGS advised that national averages were provided as part of the consultation pack, but that some context around the increases agreed by other Registered Social Landlords (RSLs) could be provided when the outcome of the consultation was published.
- 5.1.5 The Board enquired about the rents for garages and why these had not increased in a long time. The ExDGS advised that this was because the rents needed to be reviewed due to the condition of the garages.
- 5.1.6 The Board approved the following recommendations:
- Increase the applicable rentals charged by 2.7% from 01 April 2025
 - Continue to increase the Management Fee (for Shared Ownership properties) by 2.7% (£354to £363 pa); and
 - Maintain garage rents at £13 per month.

This was proposed by Scott MacLeod and seconded by Ian Fosbrooke

5.2 Development Programme Borrowing Proposals

- 5.2.1 The ExDGS spoke to his paper and sought approval of the recommendations made within it.

ACTION

- 5.2.2 The Board welcomed the robust evaluation within the report which was supported by evidence based recommendations.
- 5.2.3 There was a discussion about whether the full amount of borrowing that was required over the next two years should have been requested at the same time. The ExDGS advised that drawing down borrowing in two tranches was preferred as it provided flexibility to respond to any delays within the development process.
- 5.2.4 There was a discussion about the EBITDA measure of interest cover. The ExDGS advised that presently Albyn could not consider moving towards this as it was not compatible with all loan covenants in place.
- 5.2.5 The Board approved the following recommendations:
- Mandate Bank of Scotland, on the basis of the indicative terms and conditions submitted, to put in place a 25-year term loan of up to £10m.
 - Delegate the Executive Director of Group Services to take forward any further detailed discussions with Bank of Scotland, lawyers and valuers.
 - Continue to liaise with ATFS as Albyn's treasury adviser to discuss the terms and conditions on offer and update the Board with the final terms and conditions agreed at its meeting in March 2025.

This was proposed by Carl Patching and seconded by Jackie Bugden.

5.3 Development Programme Expansions Options

- 5.3.1 The ExDGS spoke to his paper and sought approval of the recommendations made within it.
- 5.3.2 The Board advised that the staffing resource for any development programme expansion needed to be carefully considered and that this should be included within the financial appraisals on the matter to be brought to Board in March 2025.
- 5.3.3 It was noted that the expansion options detailed within the report were related solely to the affordable housing programme in response to the Highland Housing Challenge.
- 5.3.4 The Board approved the inclusion of a planned development programme to increase the affordable housing supply, of up to 600 units in the five-year period from 2025/26 to 2029/30 with additional activity allocated across a three year period as part of the review of the Business Plan, Budget and Financial Forecast in March 2025. This was proposed by Lynne Holburn and seconded by Clea Warner.

5.4 Director of ICT & Business Services Recruitment / Cyber Next Steps

- 5.4.1 The CEO spoke to her paper and sought approval of the recommendations made within it.

ACTION

- 5.4.2 The CEO noted that she had used this opportunity to review the Executive Leadership Team structure in light of the increased opportunities that Albyn Group may have in the coming year.
- 5.4.3 The Board advised that it was strategically important that this role addressed the ICT actions that had been identified within the recent audit.
- 5.4.4 There was a discussion about whether the role should be fixed term for two years or permanent. It was suggested that the role that was required to address the immediate ICT actions over the next two years was different from the role that would eventually be required to oversee ICT in a business as usual capacity; therefore, a fixed term post was preferable. It was also suggested that a fixed term position may not attract enough good quality candidates to the role and that the ICT challenges faced would be better addressed by a permanent role.
- 5.4.5 The Chair noted the differing perspectives of the Board and advised the Leadership Team that these should be considered carefully as part of the recruitment process.
- 5.4.6 The Board noted the update on cyber next steps.
- 5.4.7 The Board approved the recommendations to:
- Approve the recruitment of a permanent Director of ICT & Business Services.
 - Note the update provided on the critical and high-risk action points and progress made
 - against these actions.
 - Note that this is an interim update which will be incorporated into a full action plan to be reported to the IT Programme Board and Audit and Risk Committee.
 - Request that an additional Board member to be sought to attend the IT Programme Board.

This was proposed by Lynne Holburn and seconded by Niall Owen.

5.5 Aviemore Biomass Charge Increase

- 5.5.1 The ExDO delivered a presentation to the Board on the Aviemore biomass system.
- 5.5.2 The ExDO spoke to her paper and sought approval of the recommendations made within it.
- 5.5.3 The Chair advised that discussions at this meeting would be limited to the recommendation for approval, but advised that a Short Life Working Group (SLWG) be established so that a broader discussion on the future of biomass could take place. It was agreed that this would be set up in June 2025.

ACTION

- 5.5.4 The Board approved the biomass charge increase as set out under option 1 within the report, to be implemented from 01 April 2025. This was proposed by Clea Warner and seconded by Niall Owen.

5.6 Highland Residential (Inverness) Ltd Delivery, Performance & Risk Update

- 5.6.1 The ExDO presented an update on the Delivery, Performance & Risk of subsidiary Highland Residential (Inverness) Ltd to the Board for approval.
- 5.6.2 The Board approved the update. This was proposed by Lynne Holburn and seconded by Clea Warner.

6. POLICY & STRATEGY

6.1 Financial Regulations (inc. Authority & Approval Limits).

- 6.1.1 The ExDGS presented the updated Financial Regulations to the Board for approval.
- 6.1.2 It was noted that in future, the updated Financial Regulations would be an approval item at September Board meetings to coincide with new Members joining the Board.
- 6.1.3 The Board approved the Financial Regulations. This was proposed by Jackie Bugden and seconded by Niall Owen.

6.2 Health & Safety Policy Statement Review

- 6.2.1 The ExDGS presented the updated Health & Safety Policy Statement to the Board for approval.
- 6.2.2 It was noted that in future, the updated Health & Safety Policy would be an approval item at September Board meetings to coincide with new Members joining the Board.
- 6.2.3 The Board approved the Health & Safety Policy Statement. This was proposed by Jackie Bugden and seconded by Niall Owen.

6.3 People Strategy Annual Update

- 6.3.1 The HHR delivered a presentation on progress against the People Strategy to the Board for its information.
- 6.3.2 The Board noted that it was inspiring to see the improvements that had been made.
- 6.3.3 The Board advised that the People Strategy action plan for the coming financial year should include Board recruitment and successions planning, and 360 appraisals for senior staff. The HHR accepted this as an **action**.

**Laurie
MacLeod**

ACTION

6.3.4 The Board noted the update.

6.4 Equalities & Human Rights Strategy Update

6.4.1 The HHR presented an update on the Equalities & Human Rights Strategy a to the Board for its information.

6.4.2 The Board advised that it would be useful to reflect the recent thematic study completed on gypsy/travellers; also, the draft British Sign Language plan developed by the Regulator.

6.4.3 The Board noted the update.

7. INFORMATION ITEMS

7.1.3 None.

8. APPROVED MINUTES OF COMMITTEE MEETINGS FOR NOTING

8.1 The approved minute of the Highland Residential (Inverness) Ltd Board meeting that took place on 17 October 2024 was noted.

8.2 The approved minute of the Audit & Risk Management Committee meeting that took place on the 17 September 2024 was noted.

9. AOB

9.1 None.

10. DATES OF FUTURE BOARD COMMITTEE MEETINGS

10.1 The dates of future meetings were noted.

The meeting ended.