



**MEETING OF THE JOINT RESOURCE AND GOVERNANCE COMMITTEE  
12 AUGUST 2020 AT 10:00  
VIA ZOOM**

Present: Rab Hepburn, Director OH and Member OHM CoM (RH)  
Jim Milne, Member OHM CoM (JM)  
Brian Watson, Member OHM CoM (BW)  
Stuart Robertson, Director OH (SR)  
Simpson Buglass, Director OH (SB)  
Kate Darbyshire, Member OHM CoM, (KD)  
Douglas Bodie, Director OH (DB)

Apologies: Clare Ruxton, Corporate Services Manager Osprey Group (CSM)  
Stacy Angus, Housing Services Manager Osprey Group (HSM)  
Hugh Crothers, Asset Manager Osprey Group (AM),

Attending: Glenn Adcock, Chief Executive Osprey Group (CEO)  
Gary Walker, Chief Finance Officer Osprey Group (CFO)  
Sofia Redford, Corporate Services Officer Osprey Group (CSO)  
Kelly Adams, RSM LLP UK, Items 2.1.1, a, b and c only  
Stephanie Hume, Scott-Moncreiff, Item s 3.1.1 – 3.1.4 only

<b>Minute No</b>	<b>Subject</b>	<b>Action</b>
<b>1.</b>	<b>ADMINISTRATION</b>	
<b>1.1 Joint</b>	<b>Welcome and Apologies</b>  Apologies are noted above.	<b>Chair</b>
	<i>The Chair proposed that the agenda should be suspended, and the external audit presentation take place first. There were no objections to this.</i>	
<b>2.1.1</b>	<b>Final Audit Findings Report – Presentation by Kelly Adams, RSM</b>	
<b>2.1.1a</b>	<b>OIL Annual Accounts</b>  KA presented the Final Audit Findings (FAF) Report and Letter of Representation for Osprey Initiatives as at 31 March 2020. All items were considered in detail by the Committee.  KA highlighted that OIL had benefitted from Group Tax Relief	

	<p>however this may no longer be possible as future total Group approaches the £2M threshold.</p> <p>It had been a positive year with good financial controls in place resulting in a clean audit for OIL.</p> <p><b>The Committee noted the Audit Report and recommended the Annual Accounts and the Letter of Representation to the OIL Board for approval</b></p>	
	<p><b>OHM Annual Accounts</b></p> <p>KA presented the Final Audit Findings (FAF) Report and Letter of Representation for Osprey Housing Moray as at 31 March 2020. All items were considered in detail by the Committee.</p> <p>KA reported a very positive year for OHM with good financial controls in place resulting in a clean audit for the Association.</p> <p><b>The Committee noted the Audit Report and recommended that the Annual Accounts and the Letter of Representation to the OHM Committee of Management for approval</b></p>	
	<p><b>OH Annual Accounts</b></p> <p>KA presented the Final Audit Findings (FAF) Report and Letter of Representation for Osprey Housing as at 31 March 2019. All items were considered in detail by the Committee.</p> <p>KA highlighted that the ground floor of the Westhill Office was re-classified as an investment property due to the previously applied exemption being removed.</p> <p>KA reported a very positive year for OH with good financial controls in place resulting in a clean audit for the Association.</p> <p>The CFO thanked the RSM staff for their work in what had been challenging circumstances.</p> <p>The Chair advised the Committee that he and the Chair's of both OH and OHM had held a ZOOM meeting with KA independently from any staff members. There were no issues raised at that meeting.</p>	

	<p><b>The Committee noted the Audit Report and recommended the Annual Accounts and the Letter of Representation to the OH Board for approval</b></p> <p><i>KA left the meeting.</i></p>	
<b>1.2 Joint</b>	<p><b>Declarations of Interest</b></p> <p>There were no changes to the standard Declarations of Interest.</p>	<b>Chair</b>
<b>1.3 Joint</b>	<p><b>Minutes of Joint R&amp;G Committee held on 5 February 2020</b></p> <p>The minutes of 5 February 2020 were agreed as a correct and accurate record of the meeting.</p> <p><b>The Minute was approved by those present.</b></p>	<b>Chair</b>
<b>1.4 Joint</b>	<p><b>Matters Arising</b></p> <p>Item 2.1.3 – The re-negotiated RCF had been signed on 19/02/20 with an implementation date of 10/03/20.</p>	<b>Chair</b>
<b>2.</b>	<b>ITEMS FOR DECISION</b>	
<b>2.1.2 Joint Item</b>	<p><b>Revised KPI Approval</b></p> <p>The Committee reviewed the proposed KPIs for the 2020/21 financial year.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li><b>Endorsed the proposed KPIs and recommended them for approval by the Governing Bodies</b></li> </ul>	<b>CEO</b>
<b>2.2</b>	<b>Strategy/Policy</b>	
<b>2.2.1 OHM Item</b>	<p><b>Updated Budget Proposal 2020/21 - OHM</b></p> <p>The CFO presented a revised budget for Osprey Housing Moray for the year ending 31 March 2021 following a review of the initial impact of the coronavirus pandemic.</p> <p>The following assumptions have been amended from those used in the previously approved budget:</p>	<b>CFO</b>

	<ul style="list-style-type: none"> <li>• Void Rent Loss has been increased from 0.5% to 0.7%.</li> <li>• Bad Debts have increased from 2.0% to 2.5% (1.5% in 2019/20).</li> <li>• Interest receivable has been reduced in line with interest rate reductions.</li> <li>• 20% reductions in travel expenses, office costs and printing post and stationery.</li> <li>• Minor reductions in training and conferences.</li> <li>• 20% increase in IT.</li> <li>• Insurance updated to take account of tender outcome.</li> <li>• Reactive repairs reduced by 5%.</li> </ul> <p>The overall impact of the changes is to increase the overall anticipated surplus by £36,413 to £748,818.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered the contents of the report</b></li> <li>• <b>Recommended the approval of the revised budget to both the Committee of Management of OHM and the Board of OH</b></li> </ul>	
<p><b>2.2.2 OHM Item</b></p>	<p><b>Updated Budget Proposal 2020/21 - OH</b></p> <p>The CFO presented a revised budget for Osprey Housing for the year ending 31 March 2021 taking into consideration the effects of the coronavirus pandemic.</p> <p>The following assumptions have been amended from those used in the previously approved budget:</p> <ul style="list-style-type: none"> <li>• Void Rent Loss has been increased from 0.5% to 0.7%.</li> <li>• Bad Debts have increased to 2.0% to 2.5% (1.5% in 2019/20).</li> <li>• HQ Lease income has been decreased by 50% in light of the decision to grant a 6 month rent free period.</li> <li>• Interest receivable has been reduced in line with interest rate reductions.</li> <li>• 20% reductions in travel expenses, office costs and printing post and stationery.</li> <li>• Minor reductions in training and conferences.</li> <li>• 20% increase in IT.</li> </ul>	<p><b>CFO</b></p>

	<ul style="list-style-type: none"> <li>• Insurance updated to take account of tender outcome.</li> <li>• Reactive repairs reduced by 5%.</li> </ul> <p>The overall impact of the changes is to increase the overall anticipated surplus by £37,923 to £921,766.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered the contents of the report</b></li> <li>• <b>Recommended the approval of the revised budget to the Board of OH</b></li> </ul>	
<p><b>2.2.3 Joint Item</b></p>	<p><b>Development Programme Update (Including Financial Report)</b></p> <p>The CEO presented a report updating the Committee on the current development programme including associated financial profile.</p> <p>The CEO highlighted the following:</p> <p>Marykirk – the contract is still being finalised. The developer’s solicitor had recommended that the developer contributions be passed on to Osprey. This has necessitated some renegotiations, as Osprey have not undertaken this burden in previous contracts. Osprey would like to continue working with the developer as further opportunities arise and have therefore negotiated a compromise increase of £950 per unit.</p> <p>Kinneddar – negotiations for this development of 20 units in Lossiemouth have been completed and are recommended for approval based on the viability evaluation. The offer also includes the small site in Hopeman which has been on the market for 12 months without attracting any interest. The development includes large family homes with known high demand.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the progress and position in relation to the projects and opportunities itemised in the report including the Financial Report</b></li> <li>• <b>Approved the recommended revision to the CPU for Marykirk as highlighted in the report.</b></li> <li>• <b>Recommended for approval the development project at Lossiemouth, that has previously featured within the proposed development pipeline</b></li> </ul>	<p><b>CEO</b></p>

	<i>At this point the agenda was again suspended for the internal audit presentation. There were no objections. Stephanie Hume from Scott-Moncrieff joined the meeting via Zoom.</i>	
<b>3.1</b>	<b>Performance</b>	
<b>3.1.1a Joint Item</b>	<p><b>Internal Audit – Voids and Allocations</b></p> <p>SH presented the report into the Voids and Allocations audit carried out in February 2020.</p> <p>4 control assessments were carried out which highlighted one minor recommendation for improvement which has since been actioned.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> </ul>	<b>CEO</b>
<b>3.1.1b Joint Item</b>	<p><b>Internal Audit – Regulatory Standards</b></p> <p>SH presented the report into the Regulatory Standards audit carried out in March 2020.</p> <p>4 control assessments were carried out resulting in a clean audit.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> </ul>	<b>CEO</b>
<b>3.1.2 Joint Item</b>	<p><b>Internal Audit Review 2019/20</b></p> <p>SH presented the Annual Internal Audit Report stating that Osprey has a framework of controls in place that provides reasonable assurance regarding the organisation’s governance framework, effective and efficient achievement of objectives and the management of key risks.</p> <p>SH provided details on the number of days spent on the audits and how they were allocated.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> </ul>	<b>CEO</b>

<p><b>3.1.3 Joint Item</b></p>	<p><b>Internal Audit Follow Up Report 2019/20</b></p> <p>SH presented the Internal Audit Follow Up Report stating that Osprey is progressing well with implementing the agreed recommendations, with 10 out of 11 management actions followed up and considered to be complete.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report.</b></li> </ul>	<p><b>CEO</b></p>
<p><b>3.1.4 Joint Item</b></p>	<p><b>Internal Audit Plan 2020/21</b></p> <p>SH presented the Internal Audit Plan covering the period to 31 March 2023.</p> <p>The proposed topics to be covered during the period are:</p> <p><b>2020/21</b> Freedom of Information Response Repairs / Gas safety Communications between departments</p> <p><b>2021/22</b> Workforce / Succession Planning Planned Maintenance / Major Repairs Customer Satisfaction &amp; Engagement Insurance</p> <p><b>2022/23</b> Equality &amp; Diversity Tenant Files Risk Management Budget Setting and Monitoring</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report.</b></li> <li>• <b>Noted that the following topics should also be considered:</b> <ul style="list-style-type: none"> <li>• <b>The effects of the Covid-19 pandemic on the organisation</b></li> <li>• <b>The result of the proposed Transfer of Engagements. In particular, compliance with promises made to tenants</b></li> <li>• <b>A further financial topic</b></li> </ul> </li> </ul>	<p><b>CEO</b></p>

	<i>SH left the meeting and the agenda was reinstated.</i>	
<b>2.2.4 OH Item</b>	<p><b>Proposed Disposal – Ladywood Drive Alford</b></p> <p>The CEO presented a report providing the Committee with information in relation to a potential property disposal.</p> <p>The Committee noted that the property is a 2 bedroomed trickle transfer property in a development with majority ownership by Aberdeenshire Council. The Council are interested in returning the property to their stock profile which would align with their stock rationalisation project.</p> <p>An offer has been received from Aberdeenshire Council for £50K which is seen as realistic. The proceeds would be used to fund future development in the area.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the potential for disposal of the property</b></li> <li>• <b>Made preliminary recommendation in principle to the Governing Body to progress with the potential sale.</b></li> </ul>	<b>CEO</b>
<b>2.2.5 Joint Item</b>	<p><b>Schedule of Delegated Authority Review</b></p> <p>The CEO presented the Committee with a report outlining the proposed changes to the SODA following its annual review.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Reviewed and endorsed the proposed changes to the SODA and recommended it for approval by the Governing Bodies</b></li> </ul>	<b>CEO</b>
<b>2.2.6 Joint Item</b>	<p><b>Policy Review and Approval</b></p> <p>The CEO presented a report on behalf of the CSM to inform the Committee on the progress being made to review and update policies over the last three months.</p> <p>The Policies reviewed were:</p> <p>GBM Code of Conduct – scheduled review – formatting only updates  Staff Code of Conduct – scheduled review – formatting only updates  Entitlements, Payments and Benefits Policy – scheduled</p>	<b>CEO</b>



	<p>review – formatting only updates</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the report and recommended the reviewed policies for approval by the Governing Bodies</b></li> </ul>	
<b>2.2.7 Joint Item</b>	<p><b>Rent Consultation – 2020 reviewed plans – verbal update</b></p> <p>The CFO informed the Committee that the forthcoming rent consultation will take place after the OHM tenant ballot on the proposed Transfer of Engagements has taken place.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the position</b></li> </ul>	<b>CFO</b>
<b>2.2.8 Joint Item</b>	<p><b>Managing Equalities Update</b></p> <p>The CEO presented a report on behalf of the CSM updating the Committee on how work is progressing to address the equalities agenda.</p> <p>Work has commenced with the Glasgow Centre for Inclusive Living which has included producing a Strategic Equality Action Plan.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted and discussed the content of the report</b></li> <li>• <b>Agreed the contents of the Strategic Equality Action Plan</b></li> </ul>	<b>CEO</b>
<b>2.2.9 Joint Item</b>	<p><b>Recovery / Return to the Office</b></p> <p>The CEO presented a report on behalf of the CSM updating the Committee on the ongoing work with regard to addressing the challenges that the coronavirus has brought.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered and discussed the contents of the report</b></li> <li>• <b>Considered how to recognise the valuable contribution made by our staff team</b></li> </ul>	<b>CEO</b>

	<p><b>throughout the crisis</b></p> <ul style="list-style-type: none"> <li>• <b>Supported the recommendation to progress with the work outlined with regards to the future of the two office locations</b></li> </ul>	
<b>2.2.10 Joint Item</b>	<p><b>VE/VJ Day</b></p> <p>The CEO presented a report on behalf of the CSM providing the Committee with the opportunity to reconsider the proposal for Osprey to observe the 75<sup>th</sup> anniversary of the end of WW2 through closure of the Group's offices on VE or VJ Day</p> <p>The Committee noted that decision had been taken to postpone the closure of the offices in May until VJ Day in August, as the VE Day commemorations had been cancelled due to the COVID-19 pandemic. However, as the situation has not improved much it is now proposed that rather than closing the offices for a day in August the staff should be given one additional day off this year to take when they want to.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered the report</b></li> <li>• <b>In principle, agreed that Osprey staff receive an extra day's annual leave, however recommended to the Governing Bodies that this should be considered in conjunction with a 'thank you' to the staff for their contribution during the lockdown</b></li> </ul>	<b>CEO</b>
<b>2.3</b>	<b>Governance</b>	
<b>2.3.1 Joint Item</b>	<p><b>Governing Body Members' Board Appraisal</b></p> <p>The CEO presented a report on behalf of the CSM providing the Committee with an update on the Board Appraisal process.</p> <p>This was the first time the appraisals had been carried out virtually and it was agreed by all that it had gone well.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted and discussed the content of the report</b></li> </ul>	<b>CEO</b>
<b>2.3.2 Joint</b>	<b>Strategic Risk Review</b>	<b>CEO</b>

<b>Item</b>	<p>The CEO presented a report to provide the Committee with the opportunity to update the Osprey Risk Register.</p> <p>This was the first opportunity for the Committee to review the new look Risk Register including a dedicated section for Covid-19 risks.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Reviewed the Risk Register and ensured that it is fit for purpose and required no amendments</b></li> </ul>	
<b>3.</b>	<b>ITEMS FOR ASSURANCE / CHALLENGE</b>	
<b>3.1</b>	<b>Performance</b>	
<b>3.1.5 Joint Item</b>	<p><b>Performance Result (Quarter 4 2019/20 and Quarter 1 2020/21) – OH &amp; OHM</b></p> <p>The CEO presented the Q4 Year End and Q1 KPI figures for OH and OHM.</p> <p>It had been two good quarters for the Group with encouraging figures. The OH void rent loss mainly relates to two voids at Jarvis Court which remains in full lockdown.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the results</b></li> </ul>	<b>SMT</b>
<b>3.1.6 OH Item</b>	<p><b>Performance Result (Quarter 1 2020/21) – OIL</b></p> <p>The CEO presented the Q1 KPI figures for OIL.</p> <p>The OIL performance had been affected by the COVID-19 lockdown where rent arrears have increased, however it is isolated to a small number of cases.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the results for Q1</b></li> </ul>	<b>CEO</b>
<b>3.1.7 Joint Item</b>	<p><b>Financial Performance (Quarter 1 2020/21) – Group</b></p> <p>The CFO presented a report detailing the financial outcomes for the quarter ending 30 June 2020.</p> <p>The Committee noted that this was the first full quarter's results since the COVID-19 lockdown measures were</p>	<b>CFO</b>

	<p>introduced. The management accounts produced had taken into account the revised budget approved under item 2.2.1.</p> <p>All results were covenant compliant.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered and discussed the contents of the report</b></li> </ul>	
<b>3.2</b>	<b>Strategy/Policy</b>	
<b>3.2.1 Joint Item</b>	<p><b>Transfer of Engagements – Verbal Update</b></p> <p>The CEO provided verbal updates on the current position on the transfer of engagements plan.</p> <p>TPAS has been appointed as the OHM tenant advisor and their initial communication has been sent out. One response has been received and is being actioned.</p> <p>A change of the OHM Rules is needed, and this is currently being reviewed by TCY. An SGM will be required for any changes to be approved.</p> <p>AGM arrangements are currently under way.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the update</b></li> </ul>	<b>CEO and CFO</b>
<b>3.2.2 Joint Item</b>	<p><b>Apply4Homes – verbal update</b></p> <p>The CFO provided a verbal update on the winding down of the Apply4Homes scheme.</p> <p>The decision had previously been taken by all partners to wind down the scheme by 31 December 2020. However, this may now be delayed due to the effects of the COVID-19 lockdown.</p> <p>It is currently unclear whether Osprey will leave as planned or remain a partner until the end.</p> <p>A further update will follow.</p> <p><b>The Committee:</b></p>	<b>CFO</b>

	<ul style="list-style-type: none"> <li>• <b>Noted the position</b></li> </ul>	
<b>3.3</b>	<b>Governance</b>	
<b>3.3.1 Joint Item</b>	<p><b>SG letter from Kevin Stewart, Housing Minister</b></p> <p>The CEO presented a report updating the Committee on the current position in the four areas of regulatory requirements identified by the Scottish Government in recent correspondence received from the Housing Minister.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the management response and were assured that the work carried out meets the regulatory requirements</b></li> </ul>	<b>CEO</b>
<b>3.3.2 Joint Item</b>	<p><b>Assurance Statement – SHR Feedback and Update</b></p> <p>The CEO presented the Assurance Statement feedback received from the SHR.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the position</b></li> </ul>	<b>CEO</b>
<b>3.4</b>	<b>Health and Safety</b>	
<b>3.4.1 Joint Item</b>	<p><b>Health and Safety Update</b></p> <p>The CEO presented a report on behalf of the CSM providing the Committee with a full overview of the current Health and Safety arrangements.</p> <p>The Committee noted that the Health &amp; Safety Control Manual and the Health &amp; Safety Landlord Manual, including the Policy Statements were due for annual review and approval.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Recommended for approval by the Governing Bodies the HSCM and the HSLM, including the Policy Statements</b></li> <li>• <b>Noted the actions taken during the COVID-19 lockdown</b></li> <li>• <b>Recommended that the Governing Bodies appoint a member to the Health &amp; Safety Committee</b></li> </ul>	<b>CSM</b>

	<ul style="list-style-type: none"> <li>• <b>Noted the Contents of the report</b></li> </ul>	
<b>4.</b>	<p><b>AOB</b></p> <ol style="list-style-type: none"> <li>1. Lossiemouth Office – Planning permission for the site of the Lossiemouth office has been received and it is anticipated that the site will be put on the market in October. A smaller office site will be sourced in Elgin on a renewable lease basis. A formal report will follow in due course.</li> <li>2. SG Eviction policy update – It is expected that an extension to the ban on evictions will be made by the Scottish Government. There are currently two tenants with high rent arrears that are not COVID-19 related. The situation is being closely monitored.</li> </ol> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the positions</b></li> </ul>	<b>CEO</b>
<b>5.</b>	<p><b>ITEMS PREVIOUSLY CIRCULATED TO MEMBERS FOR INFORMATION</b></p> <p>None</p>	
<b>6.</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Wednesday 4 November 2020 at 10:00 at Osprey Housing Office, Westhill – Format TBC</p>	

The meeting closed at 12:00

Date: \_\_\_\_\_4/11/20\_\_\_\_\_

Signed: \_\_\_\_\_Robert Hepburn\_\_\_\_\_