



**MEETING OF THE OSPREY HOUSING BOARD
5 MAY 2021 AT 09:30 VIA ZOOM**

Present: Mike Scott, Director OH Board (MS) – OH Chair
Les Allan, Director OH Board (LA) - OHM Chair
Stuart Robertson, Director OH Board (SR)
Rab Hepburn, Director OH Board (RH)
Douglas Bodie, Director OH Board (DB)
Mike McClafferty, Director OH Board (MMcC)
Brian Watson, Director OH Board (BW)
Jim Milne, Director OH Board (JM)
Raymond Edgar, Director OH Board (RE)
Simpson Buglass, Director OH Board (SB)

Apologies: Jonathan Young, Director OH Board (JY)
Marian Reid, Director OH Board (MR)
Kate Darbyshire, Director OH Board CoM (KD)
Brian Topping, Director OH Board (BT)

Attending: Glenn Adcook, Chief Executive Osprey Group (CEO)
Gary Walker, Chief Finance Officer, Osprey Group (CFO)
Clare Ruxton, Corporate Services Manager, Osprey Group (CSM)
Sofia Redford, Corporate Services Officer Osprey Group (CSO)
(Minute)

Minute No	Subject	Action
1	Welcome and Apologies Apologies as noted above.	Chair
2	Declarations of Interest There were no changes to the standing declarations of interest.	Chair

Minute No	Subject	Action
3	<p>Feedback from Strategic Session / Housing 2040 Strategic Discussion</p> <p>The CEO presented a report providing a further option for inclusion in the development strategy and to confirm the outcome of the Board strategy session on 7 April. The report also recommended consideration of any further feedback from members on the discussions at the strategy session and that members agree to preparation of an action plan for key priorities through to April 2022.</p> <p>High Level Business Plan Review – outcomes</p> <p>The report confirmed the 2019-23 Strategic Business Plan had been reviewed and the Board re-affirmed:</p> <ul style="list-style-type: none"> • Vision • Mission • Strategic Objectives (Ambitions) • That the plan remains current and compliant • Agreed modest changes to the Core Values • Noted that it will be subject to ongoing review, in particular changes that may emerge following the Scottish elections in May • It will be subject to full review in 2023 <p>Development Strategy – Additional Option</p> <p>The report contained a recommendation that viable conversion opportunities be added to the Development Strategy as an option to pursue should appropriate opportunities arise. The CEO informed the Board that the changing economy and housing market as well as the impact of the pandemic has resulted in an increase in empty buildings which potentially can be brought back into use. The Board noted that specific conversions of non-residential buildings into homes are different to our normal approach to development and potentially carry greater risk than the design and build model we currently use. While supportive of the concept the Board highlighted the need to carefully evaluate such opportunities and for risk assessment and feasibility study to be enhanced accordingly.</p> <p>Housing to 2040 – Scottish Government Strategy</p> <p>The Board had considered the “Housing to 2040” vision document published by the Scottish Government and agreed</p>	CEO

	<p>should the administration be returned to Government following the 6 May election this would have a major impact on Osprey and the housing sector as a whole. It was agreed this would in turn trigger further consideration of issues presented at the strategy session.</p> <p>Organisational Action Planning</p> <p>The Board noted that taking account of the above an Organisational Action Plan for 2021/22 which is being reviewed by the relevant sub committees will be presented at the Board meeting on 27 May.</p> <p>The Board:</p> <ul style="list-style-type: none"> i. Endorsed the inclusion of conversion opportunities within Osprey’s Development Strategy, should viable projects emerge for consideration. ii. Noted and supported the summary outcome of the strategy session and potential “housing 2040” considerations should the previous administration be returned to Government after the elections on 6 May. iii. Agreed that a report be presented to the next Board meeting highlighting key action planning items for Osprey through to April 2022. 	
<p>4</p>	<p>Strategic Review / CEO Succession</p> <p>The Chairman highlighted that a key purpose of this special board meeting was to undertake a formal strategic review following notification from the CEO of his intention to retire. The Chair asked the Board to fully consider and discuss the previously circulated report which evaluated associated strategic implications and principal options for Osprey going forward.</p> <p>The CEO has formally notified the Board of his intention to retire on 19 January 2022. It is though his intention to utilise annual leave to facilitate leaving the organisation on 16 December 2021.</p> <p>The announcement triggered a Notifiable Event with the SHR and in line with regulatory expectations and good practice the undertaking of a strategic review to determine future direction of Osprey.</p>	

At the strategy day on 7 April, the Board had already considered how it anticipated Osprey going forward following successful completion of the ToE. Based on that discussion, the strategic review has been narrowed down to three key options for the Board to consider:

Strategic Partnership with another organisation: this has been considered previously but, on each occasion rejected for a range of reasons including lack of cultural fit, no shared vision and the potential loss of local identity.

Board discussed this at length and concluded that with overwhelming support of our tenants, Osprey has just completed the ToE of OHM into OH and now aspire to deliver on the promises made to tenants. Board members discussed and agreed that it could not justify going back to tenants so soon to propose another partnership arrangement having made the case for the clear benefits of OH/OHM as a single entity RSL. Therefore, the Board unanimously agreed it did not wish to consider this option further at this stage. However, the Board also agreed it would remain open to this option in the future should the timing be right, and the right opportunity emerge.

Outsourcing Services/Sharing Resources on a non-constitutional basis: The Board discussed in detail and agreed that significant organisational development work has been undertaken to ensure Osprey is a well-managed, cohesive, and effective housing association. It was highlighted during discussion this can be evidenced through the IIP Gold accreditation and the excellent outcome from the Brilliant Scotland Dolphin Index Project.

The Board further noted the organisation continues to successfully provide services to other housing associations. After discussion around the type of functions that can be outsourced it was highlighted that we have had this before and previous experience of outsourcing key functions such as HR have been unsatisfactory. With the progress Osprey has made, the potential for disruption by outsourcing services would be counterproductive to our identity, our staff, reputation and the hard work undertaken to get to where we are now. Therefore, the Board did not wish to consider this option further.

Remain an Independent RSL/CEO Succession: The Chair endorsed analysis contained in the report that Osprey is a business with an explicit social purpose, providing

affordable quality homes and services to those in need, striving to be a landlord of choice. Members discussed and agreed Osprey delivers excellent services and add meaningful social value to the communities we work in, not least through a significant contribution to the local economy. The Board expressed a clear desire to retain Osprey's identity and recruit a replacement CEO capable of continuing to build on our success.

The Board noted that a strong business case exists for the single entity Osprey Housing remaining as a fully independent Housing Association. This was evidenced by the independent evaluation undertaken by Osprey's financial consultants, Arneil Johnston, as part of the OH/OHM ToE process. It concluded that Osprey would become a stronger and more viable housing association through the merger.

Board members agreed the merged business plan provides a range of benefits including:

- Ability to deliver enhanced services to tenants
- Provision of additional contingency against financial and external risk factors
- Opportunities to provide more affordable rents
- Opportunities to enhance investment in Osprey properties and fund future new build development proposals

The Board referred to the further conclusion drawn by Arneil Johnston from their post-merger update. Members asked it be highlighted that, taking into account the impact of the ToE and the reduced spend in 2020/21, **the business plan is looking stronger, more resilient and even more capable of withstanding risk.**

The Board discussed and agreed that Osprey as a single entity has:

- A fully compliant, viable business plan with excellent headroom for investment
- An affordable rental policy that can be fully supported
- The resource capability to continue to deliver service improvements ensuring ongoing compliance with the Scottish Social Housing Charter and legislation
- Streamlined governance arrangements to become more efficient and effective

- The confidence and trust of its tenants/customers and stakeholders/partners
- High performing KPI's with good tenant satisfaction ratings
- A strong organisational development ethos

Board members further discussed and commented that:

All the work done recently has been based on Osprey continuing as a single entity and a merger with a larger organisation is highly unlikely to improve the position of tenants. Osprey is committed to the North East of Scotland, helping to tackle local issues, and making its tenants its focus. This may be lost when merging within a larger organisation that would be unlikely to have the same level of commitment to the communities we operate in.

Following thorough discussion and consideration of the three key options, the Board members present all agreed that Osprey Housing should continue as a single, independent entity and pursue its ambitions to become an even stronger organisation.

The CEO advised that Board members who were not able to attend the meeting had been consulted on their view in relation to the strategic review and they too had confirmed via email they were in favour of Osprey continuing as a single independent entity.

This represents a unanimous agreement of all Board members.

The Board:

- i. Following a strategic review and consideration of the three key options unanimously agreed that Osprey Housing should continue as a single independent RSL.**
- ii. Instructed the process to recruit a new CEO to commence immediately.**
- iii. Instructed the CEO to advise the SHR accordingly.**

CEO Succession – CSM presented a follow up paper to assure the Board that a structured succession planning process is in place with associated delivery mechanism. The Board highlighted the significance and importance of this following the CEO's intimation of his retirement.

	<p>The Board noted the process to recruit a new CEO will provide for a smooth transition and adequate timescale for handover. The process will apply good practice based on the SFHA guidance and Osprey will keep the SHR advised of progress throughout.</p> <p>A Short Life Working Group consisting of 3 Board members has been set up. The initial task of the group will be to appoint a recruitment agency to advise on and guide the recruitment process. The Board agreed to provide delegated authority to the SLWG to appoint the recruitment agency following due process.</p> <p>The Board were assured that:</p> <ul style="list-style-type: none"> • The succession planning/recruitment process is robust and thorough. • If no appointment is made after the initial recruitment process the Senior Leadership Team has the capacity and skillset to successfully run the organisation while a second recruitment process is undertaken. 	
<p>5.</p>	<p>Cyber Security: Board Members email addresses</p> <p>The CSM presented a report alerting the Board to the heightened risk of cyber-attack due to remote working and to ask them to accept the proposal to only use their official Osprey email addresses when conducting Osprey business.</p> <p>The CSM informed the Board that the changes to the way we work, brought on by restrictions due to the pandemic, has highlighted the potential for people being less diligent in adhering to best practice security procedures. Consequently, unscrupulous forces are finding new ways to capitalise on the vulnerability emerging from the remote workforce. The Board noted that Osprey are aware of the increased threat and are continuously working to introduce initiatives to further reinforce our cyber security. One of the most pressing being the need for all Board members to use their official Osprey email addresses for all Osprey business.</p> <p>The Board noted that the email addresses already exist and that a member of the IT team would support them through the transition process. Some concern was raised with regards to notifications of new emails and it was noted that the IT team will be able to resolve this issue.</p>	

	<p>The Board:</p> <ul style="list-style-type: none"> i. Discussed and noted the content of the report. ii. Considered and agreed the proposal that all Board members will only use their official Osprey supplied email addresses when conducting Osprey business. 	
<p>6.</p>	<p>Equalities Training</p> <p>The Board members took part in a comprehensive Equalities Training session facilitated by Dr Stewart Montgomery of Glasgow Centre for Inclusive Living.</p> <p>The training outlined Osprey’s new organisational equality strategy and it is to be implemented through various procedural documents.</p> <p>Dr Montgomery confirmed that he believed Osprey now have a very robust strategy that is well advanced in the sector and if well implemented and followed will ensure relevant compliance going forward.</p>	

The meeting closed at 12:30

Signed: Mike Scott.....

Date: 26 May 2021.....