**MEETING OF THE OSPREY HOUSING BOARD**

**24 NOVEMBER 2021 AT 10:00 - VIA ZOOM**

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| Present: | Mike Scott, Director OH Board: Chair (MS) |
|  | Les Allan, Director OH Board, Vice Chair (LA) |
|  | Stuart Robertson, Director OH Board (SR) |
|  | Brian Topping, Director OH Board (BT) |
|  | Jonathan Young, Director OH Board |
|  | Rab Hepburn, Director OH Board (RH) |
|  | Brian Watson, Director OH Board (BW) |
|  | Jim Milne, Director OH Board (JM) |
|  | Simpson Buglass, Director OH Board (SB)  Mike McClafferty, Director OH Board (MMcC)  Alison Mitchell, Director OH Board (AM) |
|  | Claire Crawford, Director OH Board (CC) From item 9 |
| Apologies: | Raymond Edgar, Director OH Board (RE) |
|  | Douglas Bodie, Director OH Board (DB) |
|  | Clare Ruxton, Director of Corporate Services, Osprey Group (DCS) |
| Attending: | Glenn Adcook, Chief Executive Osprey Group (CEO) From item 3 |
|  | Gary Walker, Director of Finance, Osprey Group (DF) From item 3 |
|  | Stacy Angus, Director of Housing Services, Osprey Group (DHS) From item 3 |
|  | Hugh Crothers, Director of Assets Osprey Group (DA) From item 3 |
|  | Sofia Redford, Corporate Services Officer Osprey Group (CSO) (Minute) From item 3 |
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| **Minute No** | **Subject** | **Action** |
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| **1** | **Welcome and Apologies**  **Apologies as noted above** | **Chair** |
| **2** | **Declarations of Interest**  There were no changes to the standard Declarations | **Chair** |
| **3** | **Confidential Item – Pension Fund Evaluation Options – Presentation by David Davison – Spence and Partners**  The Board received a presentation from David Davison of Spence and Partners outlining the options going forward for Ospreys membership of the Northeast of Scotland Pension Fund.  Following a detailed discussion, the Board agreed to engage Spence and Partners to further explore options 2 and 3. | **Chair** |
| **4** | **Minutes of meeting held on 25 August 2021**  he minute of the Board meeting held on 25 August 2021 was agreed as a correct and accurate record.  **Approval of the minute was proposed by JY and seconded by JM.** | **Chair** |
| **5** | **Matters Arising**  There were no matters arising not otherwise covered as separate agenda items. | **Chair** |
| **6** | **Minutes of meeting held on 21 September 2021**  The minute of the Board meeting held on 15 September 2021 was agreed as a correct and accurate record.  BW suggested that all mentions of Sub Committee should be replaced by Committee for the avoidance of any confusion.  **Subject to the above change approval of the minute was proposed by SB and seconded by LA.** | **Chair** |
| **7** | **Matters Arising**  2.2 - Following one cycle of governance meetings it has become evident that to ensure meetings are quorate with ease more members are required for each Committee. Board members were asked to confirm which second Committee they would like to sit on.  **The Board noted the position.** | **Chair** |
| **8** | **Resignation of Director – Marian Reid**  The CEO informed the Board that due to personal circumstance Marian Reid had resigned from the Board with immediate effect. The CEO will meet MR to conduct a de-brief.  **The Board thanked MR for her contribution while a member of the OH Board.** | **CEO** |
| **9** | **Election of New Director – Claire Crawford**  An application to join the Board was considered by the members present. The Board noted that CC had been involved with Osprey through a number of developments.  **The Board:**  **Accepted the application from Claire Crawford to join the Board. This was proposed by MS and seconded by JY.**  *CC joined the meeting.* | **CEO** |
|  | **Item for Decision** |  |
| **10** | **Chief Executive’s Report**  The CEO presented a report providing the Board with an overarchingGovernance mechanism for:   * Being kept informed of progress against overall Business Strategy, identifying emerging strategic considerations and highlighting any specific exceptional strategic and operational matters that may influence Business Plan objectives (not otherwise covered by a separate report). * Approving and endorsing policies/strategies/new initiatives and noting key issues and outcomes from sub-committees. * Highlighting any specific/new matters for assurance and risk consideration.   A number of decisions had been taken during the period under delegated authority through the fast track process:  **Muir of Ord Supported Housing Project – Additional Information/Diligence**  The CEO had provided additional comprehensive information. The decision was made to progress with the project and move to stages of direct negotiation and provided these stages can be completed to Osprey’s satisfaction enter into agreements accordingly. Final partnership agreement will be provided to Board for assurance.  **New HomeMaster Housing/Finance System Procurement**  Following a comprehensive report received during the last governance cycle from the independent IT consultant and further due diligence undertaken it was recommended by SLT and supported by the independent consultant that the HomeMaster Housing & Finance system should be procured. To facilitate early progress, the fat track decision was to approve the recommendation to procure the new systema t a cost £40K  **Westhill Office Revisioning/Refurbishment**  Following the approval of an indicative budget of £75K by the R&G Committee in August a revised proposal for the revisioning and refurbishment of the Westhill office. The revised proposal represented a more appropriate solution and was recommended by the SLT. To facilitate early progress and with the potential for works to be completed before Christmas the fast track decision was taken to approve the recommendation to undertake the works at a cost of circa £78.7K  **Hamilton Drive/Sauchen – New Development Projects**  Project viability assessments were considered and approved to start two new developments at Hamilton Drive, Elgin and Suachen. Both projects are due to start imminently and fulfil S75 requirements in partnership with Morlich Homes and Kirkwood Homes respectively.  **The Board:**   * **Ratified all decisions taken through the fast-track process.**   **Policy/Strategy Approvals**  The following policies had been reviewed by the relevant committee and recommended for approval:   * Domestic Abuse Policy * Managing Tenancies Policy * Hybrid Working * Flexible Working * Disclosure and Protecting Vulnerable Groups * Extreme Weather and Emergency Situations   **The Board:**   * **Unanimously approved the policies.**   **Committee Outcomes**  **The Housing and Corporate Services Committee met on 27 October and R&G Committee on 10 November.**  **Corporate Services Committee – the following items were agreed and noted:**  JY was re-elected as Chair and SB elected as Vice Chair  Handover programme for the Chief Executive post - The Committee noted the programme.  OIL Organisational Review – The Committee noted the progress being made and agreed to progress to the next stage of the review. **This was noted and endorsed by the Board.**  Ideas Sub Group - Agreed that the terms of reference for the Ideas Sub-Group should be approved at their first meeting**. CC, JY, MMcC, JM and BW expressed an interest to take part in the Group which will be led by SB.**  Platinum Jubilee Office closure – Supported and recommended to R&G Committee and the Board to agree the granting of an additional Public Holiday on Friday 3 June 2022 to celebrate Her Majesty the Queen’s Platinum Jubilee. The recommendation was supported by the R&G at its meeting on 10 November. **The Board endorsed the recommendation.**  Organisational Review – Supported and recommended to R&G Committee and the Board to agree the following changes to the terms and conditions of employment:   * Flexi-time core hours to be reviewed – SLT suggest the core hours should be removed entirely; * Future flexible working arrangements to be addressed through Hybrid Working policy; * Employee base changes – addressed through Hybrid Working policy; * First Aid Allowance – with fewer staff in the office at given time Health & Safety Committee are currently reviewing the need for this payment.   **The Board endorsed the first three recommendations and asked the H&S committee would a review the requirement for a First Aider with the potential for more First Aiders being required rather than less.**  Investors in People – This year’s assessment is due to take place on 6 December.  **Housing Committee – The following items were agreed and noted:**  BT and BW were re-elected as Chair and Vice Chair  Performance – excellent given the circumstances. The void data review to the start of the financial year had been noted. Issues relating to utility companies and arranging supplies for void properties were noted. SFHA and the Scottish Government are putting pressure on the energy companies to resolve the issue.  Affordability Module – The module framework had been updated to OH/OHM data into one group position from 1 April 2021. Recommended to the Board that affordability should become a high focus for the organisation but noted that long term affordability and rent strategy is a Board decision.  ARC – Tenants Report – The Committee approved the Tenants Report which was subsequently published on website and social media.  Tenant Participation & Scrutiny update – The Tenant Scrutiny project is underway looking at Reactive Repairs.  Tenancy Sustainment Action Plan and Update – The Committee received a full update on Tenancy Sustainment action plan.  **Resource and Governance Committee – Items discussed were on the agenda for this meeting with the exception of:**  RH and DB were re-elected as Chair and Vice Chair respectively  **OIL Board – The following items were noted and agreed**  Performance – Noted issues relating to voids and a small number of high arrears cases and the mitigating actions being taken. The OIL Board noted that as a consequence of this and the loss of the HE service contract OIL had gone into deficit.  New Articles of Association and Intra-Group agreement were formally approved.  **The Board noted the position.**  **Performance** – Overall performance is good. However, costs of materials and supply chain issues remain volatile. CEO (D), DAS and DF are revieing impact on budget setting.  **Housing to 2040** –Affordable housing supply target has increased to 110K additional homes by 2032.  **Subsidy Review** – The final report by the Subsidy Working Group was published on 10 September. The SFHA is engaging with SG officials on the next steps, including continuing opposition to the proposal to make participation in the Procurement & Commercial Improvement Programme (PCIP) and use of the Scottish Housing Network (SHN) Value for Money tool a condition of grant for the next Affordable Housing Supply Programme.  **Energy Efficiency/Decarbonisation/Sustainability** – The DAS informed the Board that a £340K grand had been received from the SG to replace electric storage heaters in 61 properties with more sustainable air source heat pumps. | **CEO** |

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|  | **The Board noted the positions reported and thanked the outgoing CEO for his work which has resulted in him being able to hand over the organisation in a great position.** |  |

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| **11** | **Performance** | |  |
| **11.1** | **2022/23 Rent Consultation/Affordability Analysis – Update**  The DHS gave a verbal update on the plan for the 2022-23 rent consultation. The Board noted that consultation would normally take place prior to Christmas based on the September CPI figure. However due to CPI being high in September, consultation has been postponed until January whilst options are being looked at including affordability analysis is being carried out by Arneil Johnson.  The Board recognised that the budget setting will be one of the hardest for many years but that the organisation in a good financial position will be able to take a strategic approach to the rent setting.  **The Board:**   * **Agreed to hold a special Board meeting in February to determine the rent for 2022/23.** | | **DHS** |
| **11.2** | **Development Programme – Update**  The DF presented a report providing the Board with information regarding the progress at the current and potential New Build developments.  The Board noted that there was a slight delay to a couple of the current sites although the Elgin site is currently ahead of schedule.  The Board further noted that all developments listed in the report as ‘on site’ and ‘imminent’ and fundable from a combination of undrawn funds form existing loan facilities and cash reserves. The ‘potential’ programme will require additional private finance.  The DE informed that Board that the Springfield developments in Elgin were expensive and therefore unlikely to meet the Osprey red line.  **The Board:**   * **Noted the contents of the report.** | | **DF** |
| **12** | **Strategy/Policy** | |  |
| **12.1** | **Treasury Management Review – Verbal Update**  The DF gave a verbal update on the Treasury Management Review which had been undertaken by Chatham Financial.  The Board noted that the report by CH had been considered by the R&G Committee and outlined scenarios for refunding current facilities or a Big Bang approach. It was recognised that renewing the RCF would constitute a lesser risk option.  The DF and CEO (D) will carry out further scenario planning and modelling to narrow down the options for the Board.  **The Board:**   * **Noted the position**   *JY left the meeting.* | | **DF** |
| **12.2** | **Board Strategy Event 13/10/21 – Outcome and Next Steps**  The CEO (D) presented a report providing the Board with an update following the recent strategy event, consolidating the key outcomes and next steps.  Ideas identified during the session and linked to the four strategic ambitions highlighted a wish from the Board that affordability and sustainability should be given higher priority.  The core agreed focused areas were:   * Growth * Affordability * Sustainability, energy efficiency and zero carbon agenda * Pensions * Service delivery/digital * People development   **The Board:**   * **Considered and supported the key recommendations highlighted in the report as the outcomes of the Strategy Day and the agreed organisational priorities to be taken forward** * **Endorsed the approach and timeline proposed for the next steps.** | | **CEO (D)** |
| **13** | **Governance** | |  |
| **13.1** | **Articles of Association/Standing Orders Review – Verbal**  The CEO gave a verbal update on the progress on the review of the Articles of Association and Standing Orders.  The Board noted that a review of the Articles of Association and the Standing Orders are being undertaken by Linda Ewart and TC Young. The documents will be presented for approval during the next cycle of governance meetings.  **The Committee:**   * **Noted the position.** | | **CEO** |
| **13.2** | **Role of Company Secretary**  The CEO presented a report proposing the Board consider a change in the Company Secretary arrangements.  The Board noted that the role of Company Secretary is currently undertaken by Pinsent Masons. It was proposed that this role should be brought in-house as it is in the main an administrative role that can be undertaken by the Corporate Services Team. Where required external legal expertise can be sought.  A review of peer organisations had found that in the majority of cases the role was undertaken in-house.  This had previously been considered by the CS Committee and R&G Committee who recommended that option 2.3.4 within the report would be adopted.  The Board:   * **Considered and discussed the contents of the report.** * **Supported the recommendation to change the arrangements for the Company Secretary provision.** | | **CEO** |

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|  | | **Items for Assurance/Challenge** |  |
| **14** | | **Performance** |  |
| **14.1** | | **Performance Report (Quarter 2 2021/22) OH**  The CEO presented the Q2 KPI figures for OH which had already been scrutinised and reviewed through the Committee cycle.  CEO confirmed it had been a good quarter. Void days had increased due to capital work being done at void stage, however as a result of removing them from the rent debit void loss had decreased.    **The Board noted the results.** | **CEO** |
| **14.2** | | **Performance Report (Quarter 2 2021/22) OIL**  The CEO presented the Q1 KPI figures for OIL.  CEO advised that it had been a difficult quarter with a small number of high arrears cases that are being actioned. It is expected that those tenants will take advantage of the hardship loans available. The quarter has seen a high turnaround of tenants which is seen as a result of the difference between MMR and private rents shrinking and therefore more choice being available.  **The Board noted the results.** | **CEO** |
| **14.3** | | **Financial Performance (Quarter 2 2021/22) OH**  The DF presented a report detailing the financial outcomes for the quarter ending 30 September 2021.  The Board noted that it had a been an excellent quarter for the organisation. There were no areas for concern but small number of points for consideration had been highlighted. Board noted that they will approach the imminent rent and budget decisions from a position of strength. The figures do not include the effects of the ASHS transfer  The results are covenant compliant.  **The Board noted and accepted the contents of the report.** | **DF** |
| **14.4** | | **Financial Performance (Quarter 2 2021/22) OIL**  The DF presented a report detailing the financial outcomes for the quarter ending 30 September 2021.  The Board noted OIL had reported its first deficit result in some time which further highlighted the need for costs to be removed from OIL.  **The Board noted the contents of the report.** |  |

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| **15** | | **Strategy/Policy** |  |
| **15.1** | | **Sustainability Strategy – Verbal Update**  The CEO gave a verbal update on the position of the Sustainability Strategy.  The Board noted that in view of COP26 and the ESG requirement the Strategy requires a significant review to understand what has been done, what remains and what extras are required and to set priorities.  ESG will be required to encompass the whole organisation with a KPI system to quantify results.  **The Board:**   * **Noted the update.** | **CEO/DAS** |
| **16** | | **Governance** |  |
| **16.1** | | **Health and Safety Update**  The CEO presented a report providing a full overview of current Health and Safety arrangements.  In particular the Board noted the letter issued by the SHR on 3 September highlighting the importance for social landlords of an effective management system for gas safety. This had previously been reviewed by the H&S, Corporate Services and R&G Committees. The DAS confirmed for assurance that the recent Gas Safety Audit had confirmed compliance.  **The Board:**   1. **Noted the contents of the report** | **CEO** |
| **16.2** | | **Cyber Security**  The CEO presented a report outlining the progress being made to address cyber security issues.  Preparations for the Cyber Essentials Plus audit scheduled for December are underway.  The Committee noted that in the meantime the main threat to the organisation is human error particularly the mismanagement of fraudulent emails.  **The Committee:**   * **Noted and discussed the contents of the report.** | **CEO** |

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| **4.3.5** | **Conference/Training Events Feedback – Verbal Update**  RH gave detailed feedback from the SFHA Finance Conference that had been attended by a number of staff and Board members.  **The Board noted the position.** | **DF** |
| **5** | **AOCB**  None. |  |
| **6** | **Date of next meeting**  **Wednesday 23 February 2022 – Hybrid: In Office / Zoom** |  |

The meeting closed at 13:00

Signed: Les Allan…………………………………..

Date: 23 February 2022…………………………………….