



**MEETING OF THE OSPREY HOUSING BOARD  
24 AUGUST 2022 10:00 – WESTHILL OFFICE AND ZOOM**

Present: Mike Scott, Director OH Board, Chair (MS)  
Les Allan, Director OH Board: Vice Chair (LA)  
Brian Topping, Director OH Board (BT)  
Jonathan Young, Director OH Board (JY)  
Jim Milne, Director OH Board (JM)  
Alison Mitchell, Director OH Board (AM)  
Raymond Edgar, Director OH Board (RE)  
Douglas Bodie, Director OH Board (DB)  
Simpson Buglass, Director OH Board (SB)

Apologies: Rab Hepburn, Director OH Board (RH)  
Brian Watson, Director OH Board (BW)  
Claire Crawford, Director OH Board (CC)  
Stuart Robertson, Director OH Board (SR)

Attending: Stacy Angus, Chief Executive Officer, Osprey (CEO)  
Gary Walker, Director of Finance, Osprey (DOF)  
Clare Ruxton, Director of Corporate Services, Osprey (DCS)  
Dan Thompson, Director of Housing Services, Osprey (DHS)  
Hugh Crothers, Director of Assets and Sustainability, Osprey (DA)  
Sofia Redford, Corporate Services Officer, Osprey (CSO) (Minute)

Minute No	Subject	Action
1	<p><b>Welcome and Apologies</b></p> <p><b>Apologies as noted above</b></p> <p>SR was not in attendance and no apology had been received.</p> <p>The Board agreed to grant leave of absence to Rab Hepburn on medical grounds.</p>	Chair
2	<p><b>Declarations of Interest</b></p> <p>There were no changes to the standard declarations.</p>	Chair
3	<p><b>Minutes of meeting held on 25 May 2022</b></p> <p>The minute of the Board meeting held on 25 May 2022 was agreed as a correct and accurate record.</p> <p><b>Approval of the minute was proposed by LA and seconded by BT.</b></p>	Chair
4	<p><b>Matters Arising</b></p> <p>Item 6 – The CEO confirmed that Osprey had withdrawn from the kitchen and bathroom framework with McGills. The contract has been re-tendered and it is expected that a new contractor will be appointed within the next 3~4 weeks.</p>	Chair

Minute No	Subject	Action
	<b>Items for Decisions</b>	
5	<p><b>Chief Executive's Report</b></p> <p>The CEO presented a report providing the Board with an overarching Governance mechanism for:</p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• Approving and endorsing policies/strategies/new initiatives and noting key issues and outcomes from committees.</li> <li>• Highlighting any specific/new matters for assurance and risk consideration.</li> </ul> <p>There had been no decisions taken during the period under delegated authority through the fast track process:</p> <p><b>Policy/Strategy Approvals</b></p> <p>The following policies had been reviewed by the relevant committee and recommended for approval:</p> <ul style="list-style-type: none"> <li>• Development Strategy</li> <li>• Environmental Sustainability Strategy</li> <li>• Anti-social Behaviour Policy</li> <li>• Void Management Policy</li> <li>• Rechargeable Repairs Policy</li> <li>• Contractor Liquidation Policy</li> <li>• Service Charge Policy</li> <li>• Stress Management Policy</li> <li>• Performance Management Policy</li> <li>• New Staff Relocation Policy</li> <li>• Treasury Management Policy</li> <li>• Schedule of Delegated Authority</li> </ul> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Unanimously approved the policies.</b></li> </ul>	<b>CEO</b>

Minute No	Subject	Action
	<p>The Board noted that the SHR guidance on Asset Management strategy is still to be published, this was due Spring 2022. The CEO proposed that due to the delay in publishing the guidance the Osprey Asset Management Strategy should be reviewed for the next governance meeting cycle whether the guidance is published or not. If following the publication, a further review is required, this could be undertaken.</p> <p><b>The Board approved the proposal as a way forward.</b></p> <p><b>Committee Outcomes</b></p> <p><b>The Housing and Corporate Services Committee met on 27 July and R&amp;G Committee on 10 August.</b></p> <p><b>Corporate Services Committee – the following items were agreed and noted:</b></p> <ul style="list-style-type: none"> <li>• Carbon Literacy Training will take place in November/December for all staff and Board members.</li> <li>• Every member of staff has now attended one of the sessions run by Pro Futura centring around the results of Insights Discovery Personal Profile. Feedback from all was very positive. This work has been continued by staff and their line manager agreeing a behavioural objective based on their profiles as part of the appraisal system.</li> <li>• First Aid Training. An on-line course has been sourced and will be distributed to all team members for completion in autumn</li> <li>• Suicide Prevention Training by SAMH on 16 August – this was positively received and had a wider mental health awareness approach.</li> <li>• HomeMaster Training - the system training work continues at a pace. A major part of this is the training of our staff in the new system which will begin in August.</li> <li>• Following the decision to take the Company Secretary role in-house, the CEO, DCS and CSO undertook a comprehensive Company Secretary training course. One outcome of which is a Governance action plan to take forward some good practice identified – this will be shared during the next Governance cycle.</li> </ul>	

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Minute No	Subject	Action
	<p><b>Housing Committee – The following items were agreed and noted:</b></p> <ul style="list-style-type: none"> <li>• It was reported that performance was still within the top quartile, however arrears have increased from the same period last year despite a reduction in the number of high arrears cases. Current rent arrears performance across the Group remains stable despite the current challenges.</li> <li>• We have close to 4,000 live applications on These Homes with seven properties having been let using the system since its introduction.</li> <li>• The outcomes of the OIL audit and resulting actions were shared with the committee to better understand the challenges faced and the action that has been taken to ensure that Osprey remains compliant now the MMR are managed under the Housing Services team structure. This is a separate item later on agenda for full Board assurance.</li> <li>• An in-depth update was provided concerning the work of our Support Officers with reference being made to the £184,000 of financial gain that was shared between the 63 households who received support within the first 12 months of the role.</li> </ul>	

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	<p><b>Resource and Governance Committee – The following items were agreed and noted:</b></p> <p>RSM will issue a clean and unmodified audit with following noted aspects relating to the external audit:</p> <ul style="list-style-type: none"> <li>• There had been no indication of fraudulent financial reporting from management override of internal controls.</li> <li>• Following consultations with the RSM technical team, adjustments were made in relation to the recording of the business combination transactions following the TOE of OHM.</li> <li>• RSM had reviewed the assumptions used for the valuation of the DB pension schemes with LGPS and SHAPS, the accounting adjustments and the use of and external expert and found no issues.</li> <li>• There had been no issues regarding income recognition in the year from RSM’s sample testing.</li> <li>• RSM had not identified any recommendations in relation to internal controls.</li> <li>• The Letter of Representation is standard with no items to be brought to the attention of the Board.</li> <li>• Internal Audit report on the MMR properties. It was agreed that this should be re-audited next year to provide assurance that the recommendations have been embedded.</li> <li>• Reviewed and recommended approval of Treasury Management policy and the Schedule of Delegated Authority.</li> <li>• Reviewed quarter one performance, including a detailed review of the financial outcomes for OH and OIL.</li> </ul>	

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	<p><b>OIL Board – The following items were noted and agreed</b></p> <p>The Board reviewed and approved the Financial Statements and Letter of Representation specific for OIL.</p> <p>All other items discussed were covered as separate agenda items at this meeting.</p> <p><b>Performance</b></p> <p>Quarter one performance outcomes demonstrate consistent performance from each of the teams across the full range of KPI's. Void performance remains impacted by external factors such as energy supplier delays and supply chain issues.</p> <p><b>Inflation and Cost of Living</b></p> <p>The budgeting process for the next financial year has commenced earlier this year with a view to exploring how we effectively plan short and longer term.</p> <p>The SLT held a session specifically to review budgetary forecasting, focussing primarily on the impact of various % uplifts for rental income and outgoings alongside potential budget efficiencies that could be made. The session outcome created an initial draft model of the following assumptions to be applied from 1<sup>st</sup> April 2023:</p> <ul style="list-style-type: none"> <li>• Rent increase – 5%</li> <li>• Staff cost of living uplift – 5%</li> <li>• Reactive/Void/Cyclical uplift – 11%</li> <li>• Capital cost uplift – 15%</li> <li>• Other expenditure uplift – 12%</li> </ul> <p>CEO advised the Board that following the 2 year rent freeze Osprey are no longer benchmarked as higher rent in relation to the other local RSL's. The Board agreed that a 5% rent increase would be fair under the current economic circumstance and would protect the Business Plan long term.</p> <p>Full financial modelling will be taken to the next Governance cycle, however the decision to engage with tenants early was endorsed.</p>	

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	<p><b>The Board approved the following:</b></p> <p><b>Commence the rent consultation during Q3 based on a 5% increase with a caveat for any support that may become available.</b></p> <p><b>Carry out a consultation to absorb the service changes into rent charges.</b></p> <p><b>Defer the rent structure review for a period of 2 years based on the current economic uncertainties.</b></p> <p><b>Organisational Structure</b></p> <p>The Board noted that the implementation of Homemaster will be pivotal to how Osprey operates administratively going forward. The CEO proposed that an interim resource review be carried out with the outcomes shared at the November governance cycle. Workload across all departments is high at present and emphasised the need to ensure we are equipped with a resilient staffing structure. CEO also highlighted we had several temporary posts at present that decisions re long term need to be addressed.</p> <p><b>The Board:</b></p> <p><b>Supported the outlined proposal.</b></p> <p><b>Wider Sector Influence/Involvement</b></p> <p>The following items were noted:</p> <ul style="list-style-type: none"> <li>• Recent PR in relation to the successful delivery of These Homes</li> <li>• The CEO has been asked to speak at the SFHA Governance Conference in October.</li> <li>• Two submissions for the CIH annual awards have been made.</li> <li>• The local RSL CEO group are planning a meeting to engage with local politicians to promote and educate on the role of Housing Associations.</li> <li>• The Heads of Housing from Aberdeenshire and Moray LAs have been working with all local RSLs to meet and discuss shared challenges including Net Zero and Cost of living.</li> </ul>	



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	<p><b>Transfer of Engagements</b> The Board noted that the de-registration of OHM and ASHS had been approved by the SHR at their Board meetings in March and August respectively.</p> <p><b>Disposal of amenity land – Elgin</b> The Board noted that the organisation had been approached by Moray Council to acquire amenity land as part of the Council’s allotments development at Pinefield, Elgin. It had subsequently been agreed that the Council would buy the land for the nominal amount of £2,250.</p> <p><b>Location of Board meetings</b> Following a request from a Board member to review where we hold some Board meetings, with a suggestion to hold meetings in Moray. CEO proposed that, taking into consideration the new collaborative setup at the Westhill office, including IT and meeting room facilities, the environmental impact on attendees travelling to Elgin, and value for money we should continue to use the Westhill office for Board and Committee meetings.</p> <p><b>The Board:</b> <b>Agreed that all future governance meetings should be held at the Westhill office with hybrid options to join meetings to continue.</b></p> <p><b>Board Tour</b> Following a request to reintroduce a bus tour for Board members to visit new developments the CEO put forward two options:</p> <ol style="list-style-type: none"> <li>1) Running a series of smaller local area site meetings throughout the year. This could be visiting clusters of stock/sites in a specific area meeting members of SLT and staff.</li> <li>2) Or, looking at options to run the bus tour in the same way as has been done in the past – a full day bus tour leaving from Westhill office choosing a specific area to focus on.</li> </ol> <p><b>The Board:</b> <b>Expressed a preference for a bus tour concentrating on a specific area of which Moray was preferred. It was also suggested to have a theme for the day - for example new build or energy efficiency.</b></p>	

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	<p><b>Board/Staff event 12 October 2022</b> The CEO reminded the Board that a Board and Staff strategy event is planned for 12 October at the Westhill office. The focus of the day will be 'Making a difference every day'.</p> <p><b>The Board: Noted the date of the event.</b></p>	
	<p><i>At this point the agenda was suspended and David Davison joined the meeting via Zoom.</i></p>	
<p><b>7.1</b></p>	<p><b>Pension Fund Evaluation Update/Timeline</b> David Davison, pension consultant from Spence and Partners, and the CEO presented a report informing the Board of the plans to support members of staff during the proposed changes to the Osprey pension provision arrangements and outlining the effect on the NESPF pension position due to the current economic situation.</p> <p>The Board noted that the staff consultation was comprehensive.</p> <p>The Board further noted that the response of the Bank of England in trying to regain control of rampant inflation by raising interest rates has positively impacted on yields from government gilts and therefore has reduced the cessation debt figure which presents the Board with an additional option to consider: paying the settlement figure in a single lump sum. This could have a positive impact on the Business Plan long term.</p> <p><b>The Board noted and agreed that:</b></p> <ul style="list-style-type: none"> <li>• <b>The staff consultation should commence on 12 September and conclude on 12<sup>th</sup> October.</b></li> <li>• <b>Spence and Partners would run two presentations for staff affected as well as provide an opportunity for individual sessions with David Davison in the office.</b></li> <li>• <b>Osprey request a revised exit valuation at 1<sup>st</sup> October for consideration, which will be valid for 90 days.</b></li> <li>• <b>Delegated authority for a meeting of the Chairs after the conclusion of the staff consultation to review the outcome and decide if an extension to the 31<sup>st</sup> December 2022 is required.</b></li> </ul>	

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	<ul style="list-style-type: none"> <li>• <b>Full report and decision re. exit date and valuation to be taken to next Board in November 2022.</b></li> </ul>	
	<i>David Davison left the meeting and the agenda reinstated</i>	
<b>6</b>	<b>Performance</b>	
<b>6.1</b>	<p><b>OI Annual Accounts and Letter of Recommendation</b> The DOF informed the OH Board that the OI annual accounts had been approved by the OIL Board at their meeting on 10 August.</p> <p><b>The OH Board agreed unanimously to ratify the Annual Accounts and Letter of Recommendation.</b></p>	<b>DOF</b>
<b>6.2</b>	<p><b>OH Annual Accounts and Letter of Recommendation</b> The Directors of the OH Board reviewed the Annual Accounts and Letter of Representation. The Board noted that a detailed presentation had been given by RSM to the R&amp;G Committee on 10 August who recommended them for approval.</p> <p><b>Approval was proposed MS and seconded by LA. The Annual Accounts were signed by MS, LA and DB with the Letter of Representation being signed by MS.</b></p>	<b>DOF</b>
<b>6.3</b>	<p><b>Development Programme Update</b> The DOF presented a report providing the Board with information regarding the progress at the current developments on site and update on potential New Build programs.</p> <p><b>Sauchen</b> – Work completed – Properties were handed over on 26 July and all have been let.</p> <p><b>Inchmarlo</b> – Work commenced in December 2021. Handover expected during August 2022.</p> <p><b>Kinneddar Meadows</b> – Work started on site in mid-June 2021. The site has progressed very well but issues with final sign off certificate from Moray Council have delayed handover until September 22.</p>	<b>CEO</b>

Minute No	Subject	Action
	<p><b>Johnshaven</b> – Work commenced in March 2022 and is progressing well although the developer has reported issues recruiting labour force. Handover expected in October 2022.</p> <p><b>Hamilton Drive, Elgin</b> – Work commenced in January 2022. The site is making good progress with handover expected in October 2022.</p> <p><b>Portlethen</b> – Construction started in March 2022 with handover expected mid November 2022.</p> <p><b>Alford</b> – Work on site expected to start in August 2022.</p> <p><b>Bridge of Don</b> – A HAG offer has been received and accepted. Planning approval has not yet been received as further changes to the layout has been requested. A revised HAG application will be made.</p> <p>There were no material financial matters to report.</p> <p>The CEO highlighted a potential supported accommodation development at Pinegrove, Elgin. The development is currently going through pre-planning approval. To be viable additional support will be required from the Scottish government. Early indication show that this may be available.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report.</b></li> </ul>	
6.4	<p><b>These Homes – demonstration</b></p> <p>The DHS gave a presentation on the new choice based lettings system used by Osprey to advertise both social and mid market properties.</p> <p><b>The Board:</b></p> <p><b>Noted the presentation and commented favourably on the These Homes website.</b></p>	DHS

Minute No	Subject	Action
<b>7</b>	<b>Strategy/Policy</b>	
<b>7.1</b>	<i>See above</i>	
<b>7.2</b>	<p><b>Strategic Business Plan update – ESG and Strategic map</b></p> <p>The CEO presented a report providing the Board with the opportunity to review progress of the refreshed Strategic Plan.</p> <p>The Board noted that the Plan had been approved by the Board at its meeting in May. Following a consultation with the staff them on the Guiding Principles, these had been further updated and shared with the Board.</p> <p>The Board further noted Osprey’s current position against SRS indicators which will be published for the first time in 12 months.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> <li>• <b>Endorsed the revised Guiding Principles</b></li> <li>• <b>Reviewed and endorsed the progress delivering the revised Strategic Plan.</b></li> </ul>	<b>CEO</b>
<b>7.3</b>	<p><b>Schedule of Delegated Authority</b></p> <p>The DCS presented a report outlining the proposed changes to the SODA.</p> <p>The major changes considered were:</p> <ul style="list-style-type: none"> <li>• Page 7 – Changes to the Company Secretary role remit following the decision to take the duties in house</li> <li>• Page 14 – Removal of the Leasing Service Manager remit following the restructure of OIL Initiatives</li> <li>• Page 19 – Query the removal of the section on OIL New Business Opportunities following Board decision that this is no longer required.</li> <li>• Page 27 – Addition of OH Vice Chair to the membership of the Emergency Cabinet Board</li> </ul>	<b>DCS</b>

Minute No	Subject	Action
	<p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered and discussed the contents of the report</b></li> <li>• <b>Reviewed and approved the proposed changes to Schedule of Delegated Authority (SODA). This was proposed by MS and seconded by BT.</b></li> </ul>	
7.4	<p><b>Response Repairs – contract extension</b></p> <p>The CEO/DAS presented a report requesting approval and support for the Board to extend the current contract in place for response repairs to give stability of service delivery during the current economic uncertainty and change of housing management software and processes.</p> <p>The Board noted that Osprey is in the final year of a 5-year agreement with two response repair contractors based on SOR 6.2 + % uplift. Tender for a new contract from 1<sup>st</sup> April 2023 is due to be undertaken under Procurement requirements. Therefore, we need to consider our position in relation to extending it beyond current contract.</p> <p>Advice received from Osprey’s procurement consultant stated that the approach in the current economic climate seemed sensible and practical. Although regulation state that tendering must be undertaken at the end of a contract and Osprey’s actions could therefore potentially be challenged in court. This risk was seen as slim given the geographical area that Osprey operates in and the current economy.</p> <p>It is estimated that new tendered contracts based on SOR7.2 + % uplift may result in a 20-30% cost increase.</p> <p>The DAS has spoken to directors of both the main contractors who would both be prepared to move to SOR 7.2 + % uplift until April 2024. In real terms this would mean an ~11% increase in cost from the current position.</p> <p>Following a number of questions the Board felt assured that taking all factors into account and the current uncertainty re costs and assumptions extending the contract is in the best interest of our tenants and the organisation. This allows costs for the 2023-24 budget to be predicted and anticipated earlier and in addition provides stability and continuation of service delivery to our tenants.</p>	CEO/ DAS

Minute No	Subject	Action
	<p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> <li>• <b>Endorsed and approved the recommendation to extend the current response repair contract for a period of one year. This was proposed by JM and seconded by SB.</b></li> </ul>	
<b>8</b>	<b>Governance</b>	
<b>8.1</b>	<p><b>Assurance Statement – Approval</b></p> <p>The CEO presented the draft Assurance Statement which is due for submission to the SHR by 31 October.</p> <p>A more detailed paragraph re EICR and fire safety is to be added where identified in the draft statement.</p> <p>The Board reviewed the content and recommended that a section outlining the recent changes to Osprey borrowing arrangements should be added.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Approved the Assurance Statement for submission to the SHR subject to the above addition. This was proposed by LA and seconded by JY.</b></li> </ul>	<b>CEO</b>
<b>8.2</b>	<p><b>OIL Internal Audit</b></p> <p>The CEO presented a report updating the Board on the results of the internal audit relating specifically to the management of the Mid Market stock.</p> <p>The audit had been carried out by Azets (formerly Scott-Moncrieff) in November/December 2021, however the final report had not been received until June 2022. The Board noted that following the departure of the Leasing Services team and the subsequent restructure of the management of the MMR stock, most items had already been dealt with.</p> <p>The Board gained assurance that as a result of the new structure and the implementation of the new Housing management system, compliance is being monitored in a pro-active manner providing robust systems going forward.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report</b></li> <li>• <b>Reviewed and agreed the proposed actions</b></li> </ul>	

Minute No	Subject	Action
8.3	<p><b>OIL – Future planning and Options</b></p> <p>The CEO presented a report on the options relating to the future viability of the Mid Market stock currently operated under Osprey Initiatives subsidiary.</p> <p>The Board noted that the actions agreed following the management of the Hillcrest properties going back to Hillcrest from 1<sup>st</sup> April 2022 have been implemented.</p> <p>The Board further noted that demand for Mid-Market stock in Aberdeen has marginally improved over the last year. However due to the changes within the local area private sector no rental uplift has been applied since April 2015. Impact on actual rental income being C£450K less than anticipated income during this time frame. In addition, the properties are reaching an age where capital improvements will begin to impact the long-term expenditure. These costs are currently factored into the OH Business Plan and not OI Business Plan as there is insufficient long-term income to cover these costs independently. The cost of capital in the Business Plan is circa £4m.</p> <p>The SLT had carried out an initial appraisal of options and considered:</p> <p>Option 1 – Consider disposal to another RSL  Option 2 – Consider applying for additional grant and converting to social housing  Option 3 – Revisit the Business Plan considering potential rent increases or other efficiencies.</p> <p>Based on the factors considered they recommended that Osprey:</p> <ul style="list-style-type: none"> <li>• Establish, through a full financial appraisal, the “true” net impact of the Mid Market properties as a standalone activity.</li> <li>• consider the disposal of the Mid Market properties to another RSL.</li> </ul> <p><b>The Board:  Endorsed and approved the preferred options for reviewing the viability of the Mid Market stock operated under Osprey Initiatives.</b></p>	CEO



Minute No	Subject	Action
8.4	<p><b>Ideas Sub Group: Update</b></p> <p>The DCS presented a report informing the Board of the business discussed at the most recent meeting of the ideas Sub Group.</p> <p>The Board reviewed the ideas that had been put forward by staff and the subsequent actions.</p> <p>The next meeting of the group is scheduled for 5 October where Sustainability/Carbon neutral ideas will be discussed.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the report</b></li> <li>• <b>Supported the actions outlined in the appendix.</b></li> <li>• <b>Noted that the Chair of the Colleague Council had joined the group.</b></li> </ul>	DCS
	<b>Items for Assurance/Challenge</b>	
9	<b>Performance</b>	
9.1	<p><b>Performance Report (Quarter 1 2022/22) OH</b></p> <p>The CEO presented the Q1 KPI (Key Performance Indicators) figures for OH.</p> <p>It had been a good first quarter resulting in consistent set of figures. Key points to note;</p> <ul style="list-style-type: none"> <li>• Arrears have remained stable</li> <li>• Two complex complaints cases had been received. The board noted that a significant amount of time that had been put into resolving them</li> <li>• Staff Sickness remains low</li> <li>• Cyber Security remains a significant risk.</li> </ul> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the results for Q1.</b></li> </ul>	CEO

<b>Minute No</b>	<b>Subject</b>	<b>Action</b>
<b>9.2</b>	<p><b>Performance Report (Quarter 4 2021/22) OIL</b> The CEO presented the Q1 KPI figures for OIL.</p> <p>The Board noted that these were the first KPI figures set by OIL what will be aligned with the OH KPI framework. Arrears had slightly increased however void relet figures had significantly improved.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the results for Q1</b></li> </ul>	<b>CEO</b>
<b>9.3</b>	<p><b>Financial Performance (Quarter 1 2022/23) – OH</b> The DOF presented a report detailing the financial outcomes for OH for the quarter ended 30 June 2022.</p> <p>The results for the period to 30 June 2022 are excellent with many budget heads exceeding expectations. Turnover is broadly in line with budget.</p> <p>Other income includes provision for OIL intercompany charges and Office lease income.</p> <p>It should be noted that the prior year accrued insurance claim income of £50k remains outstanding.</p> <p>Expenditure is primarily a positive picture with most budget heads ahead of expectations.</p> <p>Area's worthy of consideration:</p> <ul style="list-style-type: none"> <li>• Reactive maintenance costs are £18k above budget. This will be monitored closely by the DAS.</li> <li>• Void maintenance costs are £24k above budget. This will be analysed for potential capital items included within this cost centre and will be monitored closely by the DAS.</li> <li>• Bad Debt provision is lower than expected reflecting an excellent performance in arrears management.</li> </ul>	<b>DOF</b>
<b>Minute No</b>	<b>Subject</b>	<b>Action</b>
	<ul style="list-style-type: none"> <li>• Loan interest is marginally ahead of budget but it should be noted that base rates were increased by 0.5% to 1.75% on 4 August 2022. However, given the pessimistic outlook for the UK economy, interest rates are forecast to peak at 2.8% (previously 3.2%).</li> </ul>	

	<ul style="list-style-type: none"><li>• Inflation is now predicted to peak at 13.3% and to remain highly elevated for most of 2023.</li><li>• Capital expenditure on component renewals was subdued at just £95k.</li></ul> <p>There were 6 developments on site and they were in line with cost expectations. £13.5M remained available from the Revolving Credit Facility to fund further development activities.</p> <p>The balance sheet continued to strengthen with net reserves of £27.8M and cash balances exceeding £8.2M.</p> <p>The quarter end results were covenant compliant.</p> <p>The Board noted that costs are increasing and that budget setting for 2023/24 will be the most challenging yet.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"><li>• <b>Considered, discussed and noted the contents of the report.</b></li></ul>	
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Minute No	Subject	Action
9.4	<p><b>Financial Performance (Quarter 1 2022/23) – OIL</b>  The DOF presented a report detailing the financial outcomes for OIL for the quarter ended 30 June 2022.</p> <p>The results for the period to 30 June 2022 are disappointing.</p> <ul style="list-style-type: none"> <li>• Rental income and void loss have been excellent and are ahead of budget.</li> <li>• Non maintenance expenditure is in line with expectations.</li> <li>• However, all maintenance categories have continued their current trajectory and are well ahead of budget.</li> <li>• Rent arrears have also increased during the quarter resulting in a reciprocal increase in Bad Debt Provision.</li> </ul> <p>The overall quarter-end position highlighted a disappointing loss of £1.3K.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Considered and discussed the contents of the report.</b></li> </ul>	DOF
10	<b>Strategy/Policy</b>	
10.1	<p><b>Policy/Strategy Register – Review planning 2022</b>  The CEO informed the Board that the Policy/Strategy review plan is in place and that there are no exceptions to the plan previously presented.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the update.</b></li> </ul>	CEO

Minute No	Subject	Action
<b>11</b>	<b>Governance</b>	
<b>11.1</b>	<p><b>Board Appraisal Outcome report</b></p> <p>Chair presented a report outlining the outcomes of the recent Board development discussions which had been undertaken by the Chair and Vice Chair.</p> <p>Key points noted were:</p> <ul style="list-style-type: none"> <li>• All appraisals had been completed.</li> <li>• There was consensus among Board members in what direction the organisation is going.</li> <li>• Succession planning is an area of focus.</li> <li>• The Chair and Vice Chair proposed that all Board members due to stand down and at the AGM should be permitted to stand for re-election as per Rule 37.5.</li> </ul> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the position.</b></li> <li>• <b>Thanked the Chair and Vice Chair for undertaking the discussions.</b></li> </ul>	<b>Chair</b>
<b>11.2</b>	<p><b>Health &amp; Safety Update</b></p> <p>The DCS presented a report providing the Committee with a full overview of current Health and Safety arrangements and particularly in relation to the following topics.</p> <ul style="list-style-type: none"> <li>• Meetings of the H&amp;S Committee</li> <li>• The actions undertaken following the HSLM and HSCM audits – due to be completed prior to next governance cycle.</li> <li>• Changes to the Health Working Lives programme</li> <li>• First aid training for all staff</li> </ul> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the contents of the report.</b></li> </ul>	<b>DCS</b>

Minute No	Subject	Action
11.3	<p><b>Cyber Security</b></p> <p>The DCS presented a report outlining the progress being made to address cyber security issues and particularly in relation to the approach taken:</p> <ul style="list-style-type: none"> <li>• Prevention</li> <li>• Education</li> <li>• Resilience</li> </ul> <p>The DCS informed the Board that the Cyber Essentials accreditation has been passed and that work to achieve CE Plus accreditation is planned to commence imminently. The Board further noted that information had been received that suggested ISO accreditation may soon become a requirement from insurers and this was being further investigated.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted and discussed the contents of the report.</b></li> <li>• <b>Insurers requirement for CE Plus or ISO accreditation to be determined.</b></li> </ul>	DCS
11.4	<p><b>AGM preparations</b></p> <p>The CSO presented a report outlining the arrangements for the forthcoming OH and OIL AGMs on 14 September.</p> <p>The DCS in her role as OH Company Secretary confirmed that Article 66 of the OH Articles of Association is complied with.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the preparations undertaken to date.</b></li> <li>• <b>As per item 11.1 provided permission for re-election for those Board members required to resign under the 9 year rule.</b></li> </ul>	CSO
11.5	<p><b>Conference/Training Events Feedback – SFHA Finance Conference November 2022</b></p> <p>The CEO informed the Board that 3 places had been booked on the SFHA Finance Conference due to take place on 8-9 November 2022. SB, AM and LA expressed an interest to attend and will confirm with CSO/CEO re dates.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the position.</b></li> </ul>	CEO

<b>Minute No</b>	<b>Subject</b>	<b>Action</b>
<b>11.6</b>	<p><b>Schedule of Dates 2022-2024</b> The DCS presented the proposed date for Governance meetings until April 2024.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Noted the dates.</b></li> </ul>	<b>DCS</b>
<b>12</b>	<p><b>AOCB</b> None.</p>	
<b>13</b>	<p><b>Items Previously Circulated to Members for assurance:</b></p> <ul style="list-style-type: none"> <li>• Scottish Government- ZEST report response June 2022</li> <li>• Summer Newsletter</li> </ul>	
<b>14</b>	<p><b>Date of next meeting</b></p> <p><b>OH AGM Wednesday 14 September 2022 – Hybrid: In Office / Zoom</b></p>	

The meeting closed at 12:30

Signed: ...Mike Scott.....

Date: 23 November 2022