



**JOINT MEETING OF THE GOVERNING BODIES OF
OSPREY HOUSING AND OSPREY HOUSING MORAY
26 AUGUST 2020 AT 10:00 VIA ZOOM**

- Present: Mike Scott, Director OH Board, Member OHM CoM (MS)
Les Allan, Member OHM CoM (LA)
Stuart Robertson, Director OH Board (SR)
Brian Topping, Director OH Board, Member OHM CoM (BT)
Jonathan Young, Director OH Board
Rab Hepburn, Director OH Board, Member OHM CoM (RH)
Douglas Bodie, Director OH Board (DB)
Marian Reid, Director OH Board (MR)
Brian Watson, Member OHM CoM (BW)
Mike McClafferty, Member OHM CoM (MMcC)
Raymond Edgar, Director OH Board (RE)
Jim Milne, Member OHM CoM (JM)
Kate Darbyshire, Member OHM CoM (KD)
- Apologies: Simpson Buglass, Director OH Board (SB)
- Attending: Glenn Adcook, Chief Executive Osprey Group (CEO)
Gary Walker, Chief Finance Officer, Osprey Group (CFO)
Clare Ruxton, Corporate Services Manager, Osprey Group (CSM)
Stacy Angus, Housing Services Manager, Osprey Group (HSM)
Hugh Crothers, Asset Manager Osprey Group (AM)
Linda Ewart, ToE consultant (LE)
Sofia Redford, Corporate Services Officer Osprey Group (CSO)
(Minute)

Minute No	Subject	Action
1	Welcome and Introduction	
2	Administration	
2.1	<p>Apologies</p> <p>Apologies are noted above.</p>	Chair
2.2	<p>Declarations of Interest</p> <p>There were no changes to the standing declarations of interest.</p>	Chair
2.3 and 2.7	<p>Minute of OH Strategy Meeting 7 July 2020</p> <p>The minute of meeting held 7 July was agreed as a correct and accurate record of the meeting.</p> <p>OH approval of the Minute was proposed by JY and seconded by BT.</p> <p>OHM approval of the Minute was proposed by BT and seconded by JM.</p> <p>The minute was duly signed by the Chairs.</p>	Chair
2.4 and 2.8	<p>Matters Arising</p> <p>The CEO informed the OH Board that Robin Parkinson, Co-optee to the Board has advised that due to his intensive work commitments he will be unable to stand for election to the Board at the forthcoming AGM and is unable to continue as a co-opted member.</p>	Chair

Minute No	Subject	Action
	<i>The Chair proposed that the agenda should be suspended, and the Transfer of Engagement items be discussed first. There were no objections, and Linda Ewart, Consultant joined the meeting.</i>	
3	Items for Decision	
3.3	Strategy	
3.3.1 OH Item	<p>Transfer of Engagements (ToE)</p> <p>(a) Offer to OHM Tenants The CEO presented the Governing Body members with the draft OH offer to the OHM tenants including details of the following key points:</p> <ul style="list-style-type: none"> • 2021/22 rent freeze (which would apply to all tenants) • Accelerated improvements to existing homes • Increased future development capacity • Repairs service • Estate improvements • Housing and Customer Services • Community Activities • Relocation of the OHM office • Your rights as a tenant <p>In addition, the document includes details of what would happen if the transfer does not go ahead.</p> <p>SA confirmed that a meeting has been arranged with OTRA to discuss the offer on 14th September before it is issued to tenants.</p> <p>The CEO informed the GMBs that positive feedback on the overall proposal for the ToE has been received from senior politicians in Moray and the Council’s CEO.</p> <p>The OH Board:</p> <p>i. Approved the offer to the OHM tenants. This was proposed by JY and seconded by DB.</p>	CEO/LE
OH Item	<p>(b) Revised Articles of Association – OH</p> <p>Linda Ewart presented the OH Board with a report outlining the changes required to the OH Articles to support the ToE.</p> <p>To effect the amendments, an SGM of OH shareholders will be required. Once approved the changes will take effect immediately. The Board noted that these changes are only required if the outcome of the tenant ballot is in favour of the transfer.</p>	LE

	<p>LE further advised the Board that on completion of the potential transfer a comprehensive review of the Articles is required to ensure full compliance with the constitutional standards set out in the 2019 Regulatory Framework.</p> <p>The OH Board:</p> <ul style="list-style-type: none"> i. Agreed the creation of a new category of member, subject to the result of the OHM tenant ballot. This revision to be recommended for adoption at a future SGM. ii. Agreed a comprehensive review of the Articles following completion of the proposed ToE process. <p>This was proposed by RH and seconded by JY.</p>	
<p>Joint Item</p>	<p>(c) Adoption of Model Rules</p> <p>Linda Ewart presented the Governing Bodies with a report outlining the changes required to the OHM Rules.</p> <p>The GBMs noted that due to the COVID-19 pandemic, provision has been made in the Corporate Governance and Insolvency Act 2020 for virtual general meetings to be held until 30 September 2020. For this provision to continue post 30 September 2020 a revision to the OHM Rules is required. This provision has the potential to be very important in the context of the ToE as two SGMs of OHM’s shareholding members will require to be held to give effect to the Transfer of Engagements Resolution.</p> <p>The GBMs noted that OHM is required to hold an SGM to adopt the proposed new Rules.</p> <p>The OH Board:</p> <ul style="list-style-type: none"> i. In accordance with Rule 88.1 approved the proposed changes to the Rules. <p>This was proposed by SR and seconded by RH.</p> <p>The OHM Committee of Management:</p> <ul style="list-style-type: none"> i. Approved and recommended for adoption the revised Rules at an SGM to be held immediately prior to the scheduled AGM on 16 September 2020. 	<p>LEA</p>

	<p>This was proposed by BW and seconded by KD.</p>	
	<p>(d) Tenant Engagement</p> <p>The CEO presented the tenant engagement programme agreed with TPAS the Independent Tenants’ Advisor (ITA) for OHM tenants during the ToE process.</p> <p>SA informed the GBMs that following discussions with TPAS, it has become apparent that the service to carry out the tenants’ ballot should be procured as soon as possible. TPAS have recommended Civica, in their position as the only organisation to carry out similar ballots in Scotland recently. It was therefore recommended that Civica should be directly appointed based on proven expertise and agreed this can be progressed outwith the normal procurement process given the cost will be modest.</p> <p>The OH Board:</p> <ul style="list-style-type: none"> i. Noted the appointment of TPAS as ITA. ii. Recommended the direct appointment of Civica based on independent endorsement to carry out the tenants’ ballot. iii. Agreed this need not be subject to normal procurement process <p>This was proposed by RE and seconded by JY.</p> <p>The OHM Committee of Management:</p> <ul style="list-style-type: none"> i. Noted the appointment of TPAS. ii. Recommended the direct appointment of Civica. based on independent endorsement to carry out the tenants’ ballot. iv. Agreed this need not be subject to normal procurement process. <p>This was proposed by BT and seconded by JM.</p>	<p>CEO</p>
	<p>(e) Updated Timeline – Key Decisions</p> <p>Linda Ewart presented an updated timeline outlining the key decisions required as part of the Transfer of Engagement process. It was noted that the OH SGM has now been deferred to early 2021 following the OHM tenants’ ballot.</p> <p>The requirement for delegated authority to be discussed at ToE SLWG meeting later the same day.</p>	<p>LE</p>

	<p>The Governing Bodies:</p> <p>i. Noted the position.</p> <p><i>Linda Ewart left the meeting.</i></p>	
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3.1

Chief Executive's Report (Including Policy and development project approvals)

The CEO presented his report, providing the Governing Bodies with an overarching Governance mechanism for:

- Being kept informed about progress against overall Business Strategy and identifying emerging strategic considerations.
- Approving and endorsing policies/strategies and, noting key issues and outcomes from the sub-committees.
- Highlighting any performance on strategic and operational matters that may influence Business Plan objectives.
- Assurance and associated risk considerations.

COVID-19 Impact and recovery

The GBMs noted that the local lockdown measures introduced in Aberdeen had been lifted and service had now returned to the 'new normal'.

To allow for essential work, particularly in relation to the ToE, it was proposed that a skeleton team should be allowed to return to the office whilst keeping as far as possible within Scottish Government guidelines. However, CEO sought additional approval to otherwise apply a flexible approach to selective and modest staff use of the office in accordance with essential business/operational needs. This will be determined, authorised and managed by CEO and Senior Leadership Team as deemed necessary.

The Governing Bodies:

- i. Approved the return to the office for a skeleton team and/or flexible use as authorised by CEO or Senior Managers.**

OHM AGM

As the OHM SGM, AGM and Committee of Management meetings on 16 September are due to be held via Zoom, it was proposed that the timings of the meetings be moved from an 18:00 start to a 14:00 start.

The OHM Committee of Management:

- i. Approved the revised starting time.**

Policy/ Strategy Approvals

The GBMs noted that the policies to be considered had been reviewed and recommended for approval by the CS and R&G Committees.

The Governing Bodies:

i. Approved and endorsed the

- **GBM Code of Conduct.**
- **Staff Code of Conduct.**
- **Entitlements, Payments and Benefits Policy.**

This was proposed by RH and seconded by JY.

Development Programme

R&G Committee had evaluated and recommended for approval a new development consisting of a high quality 20 home, S75 project at Kinneddar Meadows in Lossiemouth. As part of the negotiations, the developer has agreed to purchase the small Hopeman site for a nominal fee of £5,000.

The OHM Committee of Management:

i. Approved the development project at Kinneddar Meadows.

ii. Approved the disposal of the Hopeman site.

This was proposed by MMcC and seconded by KD.

In addition, the Governing Bodies noted the following:

The SHR's formal response to the Group's Annual Assurance Statement.

The potential extension of the COVID regulations whereby Notice of Proceedings require a 6 month notice period. This is currently being considered by the Scottish Government and an announcement is due at the start of September. This could have a significant impact on the level of arrears if the period is extended to April 2021. HSM has carried out a risk assessment against all high-level arrears cases and they are being continuously monitored.

The Managing Equalities agenda has not progressed as far as hoped due to the Covid-19 pandemic.

	<p>However work is continuing.</p> <p>The office in Lossiemouth will remain closed to all staff and visitors with an alternative smaller location, preferably in Elgin, to be identified. Preferred option is a for rolling lease arrangement.</p> <p>It was noted that the sector is potentially moving into a difficult period in relation to development grant funding. It was agreed that Development Funding should be added to the Risk Register.</p> <p>The Group had been asked for commentary on our social housing delivery for the local press.</p> <p>The Governing Bodies:</p> <p>i. Noted the position.</p>	
3.2	Performance	
3.2.1	<p>Annual Accounts and Letter of Representation.</p> <p>The Governing Bodies were aware that the accounts, Letters of Representation and final audit findings report had been presented to the R&G Committee by Kelly Adams of RSM on 12 August. It had been a clean audit and therefore the accounts were unqualified. The Chairs of OH, OHM and R&G had also met with Kelly, independently of staff members, and were assured by this process. There were no areas of concern.</p> <p>OIL The CFO informed the OH Governing Body that the OIL annual accounts had been approved by the OIL Board at their meeting on 12 August.</p> <p>The OH Governing Body agreed to ratify the Annual Accounts and Letter of Representation. This was proposed by RH and seconded by MS. The Accounts were signed by SR.</p> <p>OHM The Members of the OHM Committee of Management reviewed the Annual Accounts.</p> <p>Approval was proposed by RH and seconded by JM. The Annual Accounts were signed by LA, RH and the CEO in his role as Company Secretary of OHM.</p>	

	<p>OH The Directors of the OH Board reviewed the Annual Accounts.</p> <p>Approval was proposed RH and seconded by SR. The Annual Accounts were signed by MS, SR and RH.</p>	
3.2.2	<p>Revised KPIs 2020/21</p> <p>The KPI's had been scrutinised and agreed by each of the sub-committees in relation to their own remits.</p> <p>The Governing Bodies</p> <p>i. reviewed and approved the proposed KPIs for the 2020/21 financial year.</p>	CEO
3.2.3 OH Item	<p>Disposal of 32 Ladywood Drive, Aboyne</p> <p>The CEO presented a report providing the OH board with information on the proposed sale of this former trickle transfer property to Aberdeenshire Council.</p> <p>An offer of £50,000 has been received from Aberdeenshire Council which is seen as a realistic offer as the property is to be retained for social housing. The proceeds would be used to contribute to funding future development. The current net book value of the property is £14K.</p> <p>HSM confirmed that in the meantime the property is being leased as temporary accommodation to the Local Authority to minimise any void/income loss while the offer and disposal transaction is being formalised/progressed.</p> <p>The OH Board:</p> <p>i. Approved the sale of 32 Ladywood Drive to Aberdeenshire Council for £50,000.</p> <p>This was proposed by DB and seconded by JY.</p>	CEO
3.3	Strategy	
3.3.2	<p>Digital Strategy – Update</p> <p>The CSM presented a report providing the Governing Bodies the outcome of the recent review and seeking approval of the work currently being undertaken through the Digital Strategy Review.</p>	CSM

	<p>The Governing Bodies:</p> <ul style="list-style-type: none"> i. Noted and endorsed the proposals/actions outlined in the report supporting the further digitalisation of processes to ensure a more efficient, more sustainable and modern organisation. ii. Noted and supported the development of a masterplan based upon the recommendations of the final report presented by our consultants that will itemise intended actions; timescales and associated costs subject to existing budgetary provision. 	
<p>3.3.3</p>	<p>Updated Budget Proposals 2020/21 OH and OHM</p> <p>The CFO presented revised budgets for OH and OHM for the year ending 31 March 2021 following a review of the initial impact of the coronavirus pandemic. The revised budgets had been reviewed and recommended for approval by the R&G Committee.</p> <p>OHM</p> <p>The following assumptions have been amended from those used in the previously approved budget:</p> <ul style="list-style-type: none"> • Void Rent Loss has been increased from 0.5% to 0.7%. • Bad Debts have increased from 2.0% to 2.5% (1.5% in 2019/20). • Interest receivable has been reduced in line with interest rate reductions. • 20% reductions in travel expenses, office costs and printing post and stationery. • Minor reductions in training and conferences. • 20% increase in IT. • Insurance updated to take account of tender outcome. • Reactive repairs reduced by 5%. <p>The overall impact of the changes is to increase the overall anticipated surplus by £36,413 to £748,818.</p> <p>OH</p> <p>The following assumptions have been amended from those</p>	

	<p>used in the previously approved budget:</p> <ul style="list-style-type: none"> • Void Rent Loss has been increased from 0.5% to 0.7%. • Bad Debts have increased to 2.0% to 2.5% (1.5% in 2019/20). • HQ Lease income has been decreased by 50% in light of the decision to grant a 6 month's rent-free period. • Interest receivable has been reduced in line with interest rate reductions. • 20% reductions in travel expenses, office costs and printing post and stationery. • Minor reductions in training and conferences. • 20% increase in IT. • Insurance updated to take account of tender outcome. • Reactive repairs reduced by 5%. <p>The overall impact of the changes is to increase the overall anticipated surplus by £37,923 to £921,766.</p> <p>The OH Board:</p> <p style="padding-left: 40px;">i. Approved the revised budgets for OH and OHM.</p> <p>This was proposed by JY and seconded by DB.</p> <p>The OHM Committee of Management:</p> <p style="padding-left: 40px;">i. Approved the revised budget for OHM.</p> <p>This was proposed by MMcC and seconded by BW.</p>	
<p>3.3.4</p>	<p>Schedule of Delegated Authority – Review</p> <p>The CSM presented a report outlining the proposed changes to the Schedule of Delegated Authority (SODA).</p> <p>It was noted that the SODA had been reviewed and recommended for approval by all of the sub committees.</p> <p>The Governing Bodies:</p> <p style="padding-left: 40px;">i. Approved the proposed changes to the SODA.</p>	<p>CSM</p>

	<p>For OH this was proposed by RE and seconded by SR. For OHM this was proposed by KD and seconded by JM.</p>	
<p>3.3.5</p>	<p>Rent Consultation 2021/22</p> <p>The HSM presented a report proposing a revised approach to the rent consultation for 2021/22.</p> <p>The GBMs noted that the revised approach is due to a clash in timings with the independent ballot of Moray tenants relating to the proposed Transfer of Engagements. The proposed rent freeze will form part of the tenant offer therefore; the consultation cannot commence until the conclusion of the ballot. The outcome of ballot will determine which Business Plan rental strategy is being consulted on. HSM proposed the rent consultation be carried out in January 2021, with approval of final rent levels being sought at the February GB meeting.</p> <p>The GBMs noted that if the tenant ballot returns a no vote the rent consultation will be based on the existing separate Business Plans whereas a positive outcome to the ballot would mean consultation on the merged plan.</p> <p>The Governing Bodies:</p> <p style="padding-left: 40px;">i. Approved the proposed approach to carrying out rent consultation for 2021/22.</p> <p>For OH this was proposed by BT and seconded by MS. For OHM this was proposed by BW and seconded by MMcC.</p>	<p>HSM</p>
<p>3.3.6</p>	<p>Staff Recognition/VE Day Holiday Deferral</p> <p>The CSM presented a report outlining options the Governing Bodies may wish to consider for recognising staff efforts during the COVID-19 pandemic while also taking account of the previously agreed additional days holiday for VE Day.</p> <p>The Governing Bodies considered the options and agreed that the most appropriate recognition, taking into account the situation faced by our tenants, other essential workers and the wider social and economic climate, should take the form of a written communication of thanks from the Chairs. It was also agreed to honour the additional one day holiday previously granted for the VE day celebrations.</p>	<p>CSM</p>

	<p>The Governing Bodies:</p> <ul style="list-style-type: none">i. Agreed that a one-off additional day of annual leave should be awarded to all staff in lieu of the postponed VE day celebrations.ii. Agreed that a letter of thanks should be sent to all members of staff in appreciation of their outstanding efforts during the pandemic. <p><i>RE left the meeting.</i></p>	
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3.4	Governance	
3.4.1 Joint Item	<p>Strategic Risk Review</p> <p>The CEO presented a report to provide the Governing Bodies with the opportunity to update the Osprey Risk Register.</p> <p>The Risk Register, including a new dedicated section for COVID-19, had been reviewed by all sub Committees and recommended for approval.</p> <p>The Governing Bodies:</p> <p>i. Reviewed the Risk Register and ensured that it was fit for purpose and required no amendments.</p> <p>For OH this was proposed by RH and seconded by MS. For OHM this was proposed by JM and seconded by BW.</p>	CEO
3.4.2 Joint Item	<p>Governing Body Members – Appraisal Outcome</p> <p>The CSM presented a report providing the Governing Bodies 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. Further work on succession planning and GBM training particularly in light of the forthcoming merger was required. The CSM agreed to take this forward.</p> <p>Requests for RSL specific Finance training had been received. A proposed date of 14 October was agreed depending on availability.</p> <p>The Governing Bodies:</p> <ul style="list-style-type: none"> • Noted and discussed the content of the report. <p>The OH Board:</p> <ul style="list-style-type: none"> • Agreed that all OH GBMs required to resign under Article 43(xi) at the AGM shall be permitted to stand for re-election. 	CSM
3.4.3	<p>Health & Safety – Policy Approval</p> <p>The CEO presented a report providing the Governing Bodies with a full overview of the current Health and Safety arrangements.</p>	

	<p>The Governing Bodies noted that the Health & Safety Control Manual and the Health & Safety Landlord Manual, including the Policy Statements were due for annual review and approval.</p> <p>In addition, the appointment of a Governing Body representative to the Health & Safety Committee was discussed and agreed.</p> <p>The Governing:</p> <ul style="list-style-type: none"> • Approved the HSCM and the HSLM, including the Policy Statements which were signed by MS, LA and the CEO. • Noted the actions taken during the COVID-19 lockdown. • Recommended that RE should be approached regarding membership of the H&S Committee. • Noted the contents of the report. 	
4	Items for Assurance/Challenge	
4.1	Performance	
4.1.1	<p>Performance Report (Quarter 1 2020/21)</p> <p>The CEO presented the Q1 KPI figures for OH, OHM and OIL.</p> <p>It had been a good quarter for the Group with encouraging outcomes. Increase in OH void rent loss mainly relates to two voids at the very sheltered housing complex at Jarvis Court in Fraserburgh which remained in full lockdown until August. The two vacancies are being let at present.</p> <p>The OIL performance has been affected by the COVID-19 lockdown where rent arrears have increased, however it is isolated to a small number of cases.</p> <p>The Governing Bodies:</p> <ul style="list-style-type: none"> • Noted the results and commended the efforts of staff. 	
4.1.2	<p>Financial Performance (Quarter 1 2020/21) – Group</p> <p>The CFO presented a report detailing the financial outcomes for the quarter ending 30 June 2020.</p> <p>The Governing Bodies noted that this was the first full</p>	

	<p>quarter's results since the COVID-19 lockdown measures were introduced.</p> <p>All results were covenant compliant.</p> <p>The Governing Bodies:</p> <ul style="list-style-type: none"> • Discussed, scrutinised and noted the contents of the report. 	
4.2	Governance	
4.2.1	<p>Scottish Government/SHR Notifications</p> <p>The CEO presented a report making the Governing Bodies aware of the content of recent communications from the Scottish Government/SHR and, for assurance, provided a position statement in response to the points raised in the communications.</p> <p>The Governing Bodies:</p> <ul style="list-style-type: none"> i. Noted the contents and the assurance provided by responses to the specific matters highlighted in the communications. 	CEO
4.2.2	<p>AGM Preparations</p> <p>The CSO presented a report outlining the preparations made to date for the upcoming AGMs, SGM and Governing Body meetings on 16 September.</p> <p>The resignations required in accordance with OH Article 39a and OHM Rule 39.1 were reviewed.</p> <p>The Governing Bodies:</p> <ul style="list-style-type: none"> i. Noted the arrangements to date. ii. Noted the confirmations from the Company Secretaries compliance with OH Article 67 and OHM Rule 68. 	

5	AOCB There were no items.	
6	Date of next meeting The next meetings are due to take place on 16 September immediately following the AGM's.	

The meeting closed at 12:30

Signed:

Date:

Signed:

Date: