

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD MEETING HELD ON TUESDAY 17 MARCH 2015 AT 10:30 AM AT ALBYN'S OFFICES, INVERGORDON

Present

Mr D Russell (Chair)	Mr T Solle	Mr J Convery (excluding Item 6.3)
Ms M Smith	Mrs S Slimon	Mr G Sinclair (excluding Item 6.3)
Mrs P Dingwall	Mrs I McLaughlan	Mrs E Grant (up to Item 6.6)
Miss G Linden (excluding Item 6.2)	Mr A McMaster (up to Item 7)	

In Attendance

Mr C Macaulay: Chief Executive	Mr R Nairn: Finance & Corporate Services Director
Ms L Fraser: Communities Co-ordinator (Item 1)	Miss C Lawrie: Corporate Officer (Minutes)

1. PRESENTATION BY HIGHLANDS & ISLANDS ENTERPRISE

- 1.1 The Chair welcomed Ms Nicola Ewing, Head of Business Growth, and Mr John MacKenzie, Head of Innovation at Highlands & Islands Enterprise (HIE) to the meeting. They gave the Board a presentation on HIE "account managed" status and the programme run by the Massachusetts Institute of Technology (MIT) regarding the dynamics of growing elements of the business. Ms Fraser, Communities Co-ordinator, joined the meeting for this item.
- 1.2 The Chair commented that Ms Fraser had recently attended the MIT entrepreneurs programme in Boston, USA. He asked her to report on her experience of the course. Ms Fraser had applied for the MIT course amongst much competition and had been successful. Her attendance had been funded by HIE. The course is based on a book entitled "Disciplined Entrepreneurship" and provides a fast track through the 24 steps contained within the book. Those attending came from all over the world and provided multi-national networking opportunities. Some of the lessons Ms Fraser had learnt related to issues such as IT provision and inbound marketing using social media targeted at the correct audience. The makeup of the board for innovative projects is absolutely key and is the starting point for any project. The Chair thanked Ms Fraser for her passionate and interesting account of her experience.
- 1.3 Ms Ewing and Mr Mackenzie were thanked for their presentations. They left the meeting, along with Ms Fraser.

2. APOLOGIES

- 2.1 The Chair welcomed Albyn's two new, co-opted Board members, Miss Linden and Mr McMaster, to their first meeting. Miss Linden is one of Albyn's tenants and the Chair was pleased that the Board now has a new representative for tenants.
- 2.2 The Chair congratulated Mr Nairn for being successful in obtaining the role of Chief Operating Officer. Mr Nairn will commence in his new role on 1 April.
- 2.3 Apologies had been received from Ms Williams for this meeting.

3. DECLARATIONS OF CONFLICTS OF INTEREST

- 3.1 Mrs McLaughlan referred to Agenda Item 6.8 regarding the Housing Associations Resources for Investment Scheme (HARIS) and noted that she was also a member of the Board of the Scottish Federation of Housing Associations (SFHA). Ms Smith referred to any potential conflicts of interest in her role as Councillor. Miss Linden declared a conflict of interest for Agenda Item 6.1 regarding Society membership applications, as she is one of the two applicants involved.

4. MINUTES OF THE PREVIOUS MEETING

4.1 Minutes of Board Meeting: 27 January 2015

The minutes were agreed as a true record.

4.1.1 Action Items

A written update on the action items had been provided.

5. BUSINESS PLAN AND BUDGET

- 5.1 The Business Plan, including the budget and risk management framework, had been circulated separately to the Board.

5.2 Business Plan Action Plan

A revised Action Plan (Section 8 within the Business Plan) was tabled at the meeting. This had been updated to include information which had been missing from the first draft.

- 5.3 Mr Macaulay referred to the action to produce an options appraisal for the Aviemore biomass system. The outcomes of the appraisal will determine what decision is made for the future of the system. Mr Solle noted that more district heating schemes are being implemented, many with government backing. He recommended thoroughly considering all options before making a decision.

5.4 Risk Management Framework

Mr Nairn introduced the Risk Management Framework contained as Appendix 1 within the Business Plan. The framework has been split to remove from the Business Plan those risks which have been mitigated to such an extent that they are now only being monitored.

5.5 Budget

Mr Nairn took the Board members through the budget in some detail. He confirmed that any changes to the budget will be highlighted to the Board at their June meeting.

- 5.6 The Board approved the draft Business Plan and budget.

6. DECISION MAKING PAPERS

6.1 Governance Effectiveness Review: Action Plan

- 6.1.1 The Chief Executive's paper followed up the review of governance effectiveness which had been carried out by consultant Linda Ewing. Ms Ewing's report had been discussed at the January 2015 Board meeting. This paper provided an action plan to take forward the recommendations from Ms Ewing's report.

6.1.2 It was agreed that a six monthly update on progress with the action plan will be provided.

6.1.3 The Board approved the action plan.

Miss Linden left the meeting for the duration of the next agenda item.

6.2 Society Membership: Applications

6.2.1 Two applications for Society membership had been received; from Miss Linden in Inverness and Ms Martin from Dornoch.

6.2.2 The Board approved the two applications for Society membership.

At this point Miss Linden rejoined the meeting.

Members of the Board of Albyn Enterprises Ltd left the meeting for the following item (Mrs Dingwall, Mrs McLaughlan and Messrs Sinclair and Convery)

6.3 Albyn Enterprises Ltd: Independence Agreement

6.3.1 The Finance & Corporate Services Director's paper provided the Board with a review of the Independence Agreement between Albyn Housing Society Ltd (AHS) and Albyn Enterprises Ltd (AEL). The original document had been produced by TC Young, who are solicitors with expertise in RSL-related corporate governance issues. The Independence Agreement is a requirement of the Scottish Housing Regulator.

6.3.2 Mr Nairn reported that the changes to the Agreement had been discussed and approved by the Albyn Enterprises Ltd Board of Directors at their 26 February 2015 meeting.

6.3.3 The Board approved the revised Independence Agreement between Albyn Housing Society and Albyn Enterprises Ltd.

Messrs Sinclair and Convery returned to the meeting.

6.4 Eviction Approval

6.4.1 *(Mrs McLaughlan and Mrs Dingwall were absent for this item.)* The Board was asked to homologate the Chair's approval to enforce a court decree for eviction.

6.4.2 The Board considered and discussed the case concerned.

6.4.3 The Board endorsed the Chair's approval to enforce a court decree for eviction.

6.5 Hotel Artysans Review

6.5.1 The Chief Executive's paper had been circulated between AHS Board meetings. The paper referred to an independent review of the Hotel Artysans project produced by Turnberry Consulting. It was proposed that the Board should consider future options.

6.5.2 Mr Macaulay reported that the paper had been discussed by the Albyn Enterprises Ltd Board of Directors at their 26 February meeting. The AEL Board members had approved the proposals contained in the paper.

6.5.3 The Board will consider future options at a later date.

Mrs Grant left the meeting at this point.

6.6 HARIS: Housing Association Resources for Investment Scheme

- 6.6.1 The Finance & Corporate Services Director's paper informed the Board about the potential to use the Housing Association Resources for Investment Scheme (HARIS) as a vehicle to obtain cheaper finance. HARIS is implementing a members' group to undertake a detailed business planning exercise. Mr Nairn proposed that Albyn join this group and contribute monies towards the costs of implementation.
- 6.6.2 Mr Nairn noted that the main consideration by the Board was whether Board members believe that Albyn should own the properties it builds and manages. Mr Nairn explained that, should the HARIS option be progressed, HARIS would in effect own the properties. They would also be the landlord, although that role would then be delegated back to Albyn.
- 6.6.3 This was discussed at length by Board members. Corporate governance issues would need to be considered. There was concern that Albyn would lose its independence. It was noted that to date Albyn has successfully managed to raise its own finances.
- 6.6.4 After thorough discussion, it was agreed that Board members did not wish, at this stage, to support the project. It was something that could be considered much later in the process, depending on how successful HARIS was.

Mr McMaster left the meeting at this point.

7. **MINUTES OF COMMITTEE MEETINGS**

7.1 **Performance Committee Meeting: 10 February 2015**

The Board noted the minutes from the Performance Committee meeting which took place on 10 February 2015.

7.2 **Staffing, Health and Safety and the Environment Committee Meeting: 17 February 2015**

The Board noted the minutes from the Staffing, Health & Safety and the Environment Committee meeting which took place on 17 February 2015.

8. **HEALTH AND SAFETY**

8.1 **Annual Adoption of Board's Responsibilities**

This paper requested that the Board members adopt their health and safety responsibilities, as detailed in Albyn's Health and Safety Control Manual. These require to be adopted annually. It was noted that the Manual was supplied by Employers in Voluntary Housing (EVH) to all housing associations to assist in managing complex health and safety legislation. Albyn's Safety Policy Statement also requires to be signed by the Chair and Chief Executive on an annual basis. This latter document is displayed on health and safety notice boards at both of Albyn's offices. The Board members agreed to adopt their health and safety responsibilities. The form was circulated for signature.

9. **LEAVE OF ABSENCE**

- 9.1 There were no requests for a leave of absence for the Board meeting taking place on 26 May 2015.

10. ANY OTHER COMPETENT BUSINESS

10.1 Approval and Authority Limits

The Finance & Corporate Services Director confirmed that this document will be revised to take into account his new job title. The revised document will be provided to the May meeting.

10.2 Meeting Observers

The Chief Executive reported that one of the proposals raised through the 2014 staff survey was for staff to occasionally attend Committee meetings (not Board meetings) as observers. After discussion it was agreed that staff would be invited to attend in the role of observer the next two meetings of the Performance and the Staffing, Health and Safety and the Environment Committees.

10.3 Innovative Projects

The Chair requested that a discussion take place about how Albyn approaches innovative projects. The Chief Executive referred to the recent internal audit which had highlighted the requirement for a Diversification Strategy. This discussion will start at the June Board meeting and may continue thereafter.

10.4 Co-opted Members

The Chair confirmed that Miss Linden is already a member of the Performance Committee as a tenant representative and will continue in that role as a co-opted Board member. Discussions will be held with Mr McMaster to ascertain whether he might be amenable to join the Board of Albyn Enterprises Ltd.

11. DATE OF NEXT MEETING

11.1 The next meeting is due to take place on 26 May 2015 in Invergordon.

12. POLICY PROPOSALS AND REVIEW

12.1 Procurement Policy and Procedures

12.1.1 The Finance & Corporate Services Director's paper introduced the Procurement Policy which is based on using the Public Contractors Scotland (PCS) website portal. This enables Albyn to standardise its procurement procedures and ensures that Albyn is compliant with relevant procurement legislation.

12.1.2 The Board approved the Procurement Policy.

12.2 Treasury Management Policy

12.2.1 The Finance & Corporate Services Director's paper asked the Board to approve the Treasury Management Policy, which had been amended following an internal review. Mr Nairn explained that the Policy had been in place for the Albyn Group for a number of years and was based on guidance from the Chartered Institute of Public Finance & Accountability (CIPFA).

12.2.2 After discussion it was agreed that further consideration will be given to a number of items which had been highlighted. A revised document will be provided to the next Board meeting.

13. INFORMATION PAPERS

13.1 The following papers had been circulated separately by email to Board members:

- Scottish Water: Update
- Board Members Appraisals 2014: Action Items Update
- Contract Management – Action Points
- Scottish Housing Regulator: Consultation