

ALBYN HOUSING SOCIETY LIMITED
REPORT OF THE BOARD MEETING
HELD ON TUESDAY 24 JUNE 2014 AT 10:30 AM
AT ALBYN'S OFFICES, INVERGORDON

Present

Mr D Russell (Chair)
Mrs S Slimon
Ms M Smith
Mrs E Grant

Mr G Sinclair (Vice-Chair)
Mr J Oag
Ms K Williams

Mr J Convery
Mrs P Dingwall
Mrs I McLaughlan

In Attendance

Mr R Nairn: Finance & Corporate Services Director Ms H Barton: Customer Services Director
Miss C Lawrie: Corporate Officer (Minutes)

1. APOLOGIES

1.1 Apologies had been received from Messrs Summerfield, Solle and Macaulay for this meeting.

2. DECLARATIONS OF CONFLICTS OF INTEREST

2.1 One conflict of interest was noted for this meeting.

2.2 A form was circulated at the meeting to Board members which asked them to list any interests they had outside of Albyn. This was to ensure that any potential conflicts of interest are formally recorded. This will become an annual form for completion and the Board members were asked to complete it for the current year.

2.3 Another form had been circulated regarding Committee membership. Board members were asked to indicate on the form their preference for Committee membership. An exercise will then take place to match the appropriate Board members to the Committees.

3. MINUTES OF THE PREVIOUS MEETING: 27 MAY 2014

3.1 The minutes were agreed as a true record.

3.2 The Chair reported that Mr Summerfield is due to resign from the Board at the Annual General Meeting in August. In the meantime he has resigned his position as Company Secretary. The Chair proposed that Ms Smith take this position temporarily. This was approved by the Board.

4. DECISION MAKING PAPERS

4.1 Report of the Board and Financial Statements

4.1.1 The Finance & Corporate Services Director's paper presented Albyn's Report of the Board and Annual Financial Statements for 2014. This incorporated the Management Accounts for the year to 31 March 2014; the Final Audit Findings Report; and the online submission of the annual accounts to the Scottish Housing Regulator.

- 4.1.2 The accounts had been audited. The Audit Committee had also discussed the documentation in-depth at their 11 June meeting and had approved its submission to the Board.
- 4.1.3 Mr Nairn took the Board through the Income and Expenditure data and provided information on the total pension deficit which had been provided for. The estimated provision is £5.2m contained in the balance sheet. This had been included in the accounts.
- 4.1.4 Mr Nairn referred to the 30 year plan which will be provided to the Board towards the end of the year. At that point the Board will need to consider future development activities and decide whether the current plan of 40 units per year is appropriate.
- 4.1.5 The Board approved the Report of the Board and Annual Financial Statements. Approval was given for online submission to the Scottish Housing Regulator of the Financial Statements. The Final Audit Findings report was approved for submission to the Regulator.

4.2 Loan Portfolio: 2014

- 4.2.1 The Finance & Corporate Services Director spoke to his paper which reviewed the current position of the loan portfolio. The paper sought the Board's approval for the submission of the Loan Portfolio Return for 2014 to the Scottish Housing Regulator.
- 4.2.2 The Board discussed the Loan Portfolio Return and identified one amendment that was required to its contents.
- 4.2.3 With the revision noted above, the Board approved submission of the Loan Portfolio Return for 2014 to the Scottish Housing Regulator and the strategy for the interest rates for the next two years.

4.3 Five Year Financial Projects for Scottish Housing Regulator: 2014

- 4.3.1 The Finance & Corporate Services Director's paper sought approval for the submission of the Five Year Financial Projections to the Scottish Housing Regulator.
- 4.3.2 The Board had agreed the budget in March and the Statutory Accounts had been updated to reflect the results for the year.
- 4.3.3 In answer to a query about the figures within the document, Mr Nairn noted that Albyn's loan per property is higher for Albyn than it is for many other RSLs.
- 4.3.4 The Board approved submission of the Five Year Financial Projections to the Scottish Housing Regulator.

4.4 Balvonie National Housing Trust: RSL Variant

- 4.4.1 The Finance & Corporate Services Director spoke to his paper which updated the Board on the negotiations with the Scottish Government regarding the guarantee under the National Housing Trust (NHT) Registered Social Landlord's (RSL) Variant. Mr Nairn asked for "in principle" agreement to continue with the process. He also sought the Board's approval for the Chair to sign the legal documentation when it is finalised.

- 4.4.2 The Board had agreed in late 2012 to develop the Balvonie site for mid-market rent. It had also been agreed to utilise the Scottish Government's initiative, the NHT RSL Variant. This would ensure that the interest payments are underwritten and that the proceeds are guaranteed. Both of these guarantees are capped to effectively limit the financial exposure of the Government to the project.
- 4.4.3 The Board gave "in principle" approval to continue with the process. The Board also approved the request for the Chair to sign the legal documentation in relation to the Balvonie National Housing Trust RSL Variant when it is finalised.

4.5 Annual General Meeting

- 4.5.1 The Chief Executive's paper informed the Board of the arrangements for the 2014 Annual General Meeting and sought approval for the two retiring Board members to be replaced by co-optees. It also asked the Board to agree that the Board members who should stand down for re-election will be Messrs Russell and Sinclair.
- 4.5.2 The Chair commented that the Board wished to ensure that there was at least one tenant member on the Board. Using co-optees was one mechanism to ensure that this happened.
- 4.5.3 The Board approved that the two retiring Board members could be replaced by co-optees as appropriate. The Board also agreed that the Board members who should stand down for re-election will be Messrs Russell and Sinclair.

4.6 Social Enterprise Contracts Business

- 4.6.1 The Finance & Corporate Services Director spoke to his paper which sought "in principle" approval to undertake a review of Albyn's current method of procuring services or trades such as electricians, plumbers, gas servicing and so on.
- 4.6.2 Albyn currently has a large number of approved contractors covering these trades across the geographical area in which the Society operates. It is planned that Albyn will tender work via the Public Contracts Scotland (PCS) procurement website where appropriate.
- 4.6.3 Albyn spends in excess of £1m per year on these activities. The Management Team believed that other options should therefore be explored to ensure best value for money.
- 4.6.4 Another reason for considering this proposal was the potential for employability initiatives to form part of the ethos of the new arrangements. This would mean that apprenticeships and qualifications would be at the core of any new arrangement.
- 4.6.5 The Board discussed this at length and outlined their initial views on the proposal. It was agreed that much work would be required to identify whether this was a viable alternative to the current arrangements.
- 4.6.6 On the basis of the further work now required, the Board gave "in principle" approval for the proposal to undertake a review of Albyn's current method of procuring repair services.

4.7 Housing Cost Direct Payments: Test-bed Project

- 4.7.1 The Customer Services Director spoke to her paper which sought approval to explore the potential for developing a test-bed project with the Department for Work and Pensions for the direct payment of housing benefit costs to tenants.
- 4.7.2 Ms Barton said that the Department for Work and Pensions (DWP) officials are visiting the Highlands in August to meet with Highland RSLs and The Highland Council.
- 4.7.3 In answer to a query Ms Barton confirmed that there was no guarantee of additional money from DWP. There are one or two bids for funding currently being progressed which may help support the proposal. In the meantime, work would continue to identify what the additional cost would be.
- 4.7.4 Ms Barton confirmed that Weber Shandwick, Albyn's PR company, is following up the impact of Welfare Reform one year on. The company will also be providing the Highland MSPs with information on the impact of welfare reform on Albyn's tenants.
- 4.7.5 The Board approved the proposal to explore the potential for developing a test-bed project with the Department for Work and Pensions for the direct payment of housing benefit costs to tenants.

5. **MINUTES OF COMMITTEE MEETINGS**

5.1 Performance Committee: 20 May 2014

- 5.1.1 The draft minutes of the Performance Committee meeting held on 20 May 2014 were noted. The Chair for that meeting, Mrs Slimon, noted the positive outcomes for Albyn detailed at the meeting.

5.2 Health and Safety Committee: 3 June 2014

- 5.2.1 The minutes of the Health and Safety Committee meeting held on 3 June 2014 were noted. The Board also noted the Health and Safety Annual Report which had been circulated for information.

5.3 Audit Committee: Annual Report

- 5.3.1 The Audit Committee's Annual Report was noted by the Board. The Chair of the Committee, Mr Convery, drew the Board's attention to the one attempt at fraud which had been identified and dealt with.

6. **HEALTH AND SAFETY**

- 6.1 There were no health and safety matters to note.

7. **LEAVE OF ABSENCE**

- 7.1 No requests were received for a leave of absence for the Annual General Meeting taking place on 19 August or for the Board meeting taking place on 23 September 2014.

8. ANY OTHER COMPETENT BUSINESS

8.1 There were no other items of competent business raised.

9. DATE OF NEXT MEETING

9.1 The Special General Meeting to approve Albyn's new Rules is due to take place immediately before the Annual General Meeting on 19 August. The next Board meeting is due to take place on 23 September 2014 in Invergordon.

10. POLICY PROPOSALS & REVIEW

10.1 There were no reports for this meeting.