

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD MEETING HELD ON TUESDAY 25 NOVEMBER 2014 AT 10:30 AM AT ALBYN'S OFFICES, INVERGORDON

Present

Mr D Russell (Chair)
Mrs I McLaughlan
Ms K Williams

Mr G Sinclair (Vice-Chair)
Mrs E Grant

Mr J Convery
Mrs S Slimon

In Attendance

Mr C Macaulay: Chief Executive
Miss C Lawrie: Corporate Officer (Minutes)

Mr R Nairn: Finance & Corporate Services Director
Ms S Cribb: AEL Business Development Manager
(Agenda Item 14)

1. APOLOGIES

- 1.1 Apologies had been received from Mrs Dingwall, Ms Smith, Mr Solle and Ms Barton for this meeting.

2. DECLARATIONS OF CONFLICTS OF INTEREST

- 2.1 One conflict of interest was noted in relation to Agenda Item 6.5 regarding the Beaully heating system.

3. MINUTES OF THE PREVIOUS MEETINGS

- 3.1 Minutes of Board Meeting: 23 September 2014

The minutes were agreed as a true record.

3.1.1 Action Items

Agenda Item 5.4.2 at the previous meeting referred to the circulation of Albyn's list of contractors. The Finance & Corporate Services Director reported that he is seeking clarification from the Regulator on the definition of a contractor and how far back the list needs to go. Currently the list is very lengthy. This matter is something other registered social landlords (RSLs) are considering. It is understood that the Scottish Federation of Housing Associations (SFHA) is also seeking guidance on this matter. Once further advice is received the list will be revisited and circulated accordingly.

- 3.1.2 It was noted that if any Board members use local suppliers / contractors then this needed to be declared. There was discussion about what constituted a conflict of interest. It would be impossible to find local contractors or suppliers which were not being used by Albyn. However, it was important to ensure that appropriate declarations are made.

3.1.3 **Matters Arising**

There were no matters arising.

3.2 Minutes of Board Strategy Day: 21 October 2014

The minutes were agreed as a true record.

3.2.1 **Matters Arising**

There were no matters arising.

3.2.2 The Board members agreed that the strategy day had been very useful. It was noted that the agenda needs to be the right length for the time allowed.

5. **FOLLOW UP TO STRATEGY DAY**

5.1 Wider Remit Discussion

5.1.1 The Chief Executive confirmed that the wider remit will continue to be considered as part of the business planning process.

5.2 Future Development Programme

5.2.1 The Finance & Corporate Services Director's paper proposed a development programme of 500 properties over five years. This followed on from the Board's discussion at the 21 October Strategy Day when the members had considered what might be a suitable level of development for Albyn over the next five years. During that discussion a total of 100 properties per year had been considered as a potential target figure.

5.2.2 The 500 units were proposed at a rate of 100 per year, with 80 expected by 31 March 2016. The paper also proposed that a meeting be arranged with the Director for Housing, Regeneration and Welfare at the Scottish Government.

5.2.3 Mr Nairn clarified that the figure of 100 properties per year was an aspirational, but achievable, target. It was agreed that the target should be reviewed annually.

5.2.4 In response to a query, it was confirmed that work will take place to mitigate as much as possible the risk from the development process. A number of factors will be taken into account, such as the location of the properties, and these will determine what type of development is most suitable.

5.2.5 Mr Nairn reported that Albyn has approximately 15 sites within its ownership. There are some sites which form part of current developments. There will not be enough to support the total of 500 properties over the five years. However, the land bank will give a head start and these should be design and build contracts. The Highland Council also has a land bank and the "Section 75" planning restriction (whereby affordable housing has to be provided alongside new private developments) should similarly provide opportunities.

5.2.6 The Chair believed that the proposal made to the Board to build 100 units per year would help support the Council's desire to build 1,000 units per annum, as discussed at the recent Strategy Day.

- 5.2.7 It was agreed that any development needed to be made as risk-free as possible, with Albyn maintaining its good reputation and name. The risk would be reduced with design and build and so this would be considered as the principal way to develop. However, there would still be risks that needed to be considered.
- 5.2.8 A vote was taken and six Board members were in favour, with one against, for a development programme of 500 properties over five years, subject to an annual review. The proposal was therefore approved. This programme would start with 80 properties by March 2016, with a shadow programme of an additional 20 within the same timeframe. The finances to support this programme will be determined over the course of the programme period.
- 5.2.9 It was agreed that a meeting will be arranged with Scottish Government.

5.3 Risk Management

- 5.3.1 The Finance & Corporate Services Director's paper followed on from the Board's risk management exercise carried out at the 21 October Strategy Day, when Board members had considered potential risks to the organisation. The risks identified during that exercise had been analysed and separated into five risk headings. A Risk Management Framework had then been produced, using those risk headings.
- 5.3.2 The Board was asked to agree the revised risk management format to be used as part of the business planning process in 2015/16 and to review the risk challenges to ensure that all of the major risks had been identified.
- 5.3.3 Mr Nairn noted that the risk management framework was a work in progress which would continue to evolve going forwards. The Board discussed the document and agreed some amendments to it.
- 5.3.4 At their next meeting the Management Team will also go through the exercise of identifying risks. An updated version of this document will then be available for the 27 January Board meeting.
- 5.3.5 The Board agreed the revised risk management format to be used as part of the business planning process in 2015/16.

6. **DECISION MAKING PAPERS**

6.1 Remit for Staffing, Health & Safety and the Environment Committee

- 6.1.1 The newly merged Committee had held its first meeting on 18 November 2014. At that meeting the Committee members had considered their remit. This was an amalgamation of the remits recently approved for the Staffing Committee and the Health & Safety and the Environment Committee. The remit had been amended as required at the meeting and a revised version was therefore tabled at this Board meeting. The minutes of the 18 November Committee meeting were also tabled for consideration.
- 6.1.2 The paper asked that the Board members approve the revised remit. It also sought approval for an additional member for the Audit Committee, to reduce the risk of holding meetings which are non-quorate.

- 6.1.3 The Staffing, Health & Safety and the Environment (SHSE) Committee Chair drew attention to the main changes made by the Committee to the remit, which ensured that the environmental element maintained a high profile.
- 6.1.4 The Board considered the proposal for another member to join the Audit Committee.
- 6.1.5 It was noted that additional Board members were required, as the current Board members believed that they now worked at full capacity and were not able to shoulder any additional Board-related work. It was agreed that a recruitment process will begin in the new year. The Board agreed that one of the new Board members should have a financial background. The Chief Executive asked Board members to let him know of any potential candidates.
- 6.1.6 The Board approved the revised remit for the Staffing, Health & Safety and the Environment Committee and approved an additional member for the Audit Committee.

6.2 Albyn Enterprises Ltd: Innovation Officer

- 6.2.1 The Chief Executive's paper sought approval to employ for the period of two years an Innovation Officer. This post is primarily funded by Highlands & Islands Enterprises (HIE), with the remaining funding being paid by Albyn Housing Society. In addition, Albyn will offer in-kind contributions of office space, line management and IT facilities.
- 6.2.2 The Board approved the two year post of an Innovation Officer.

6.3 Albyn Enterprises Ltd: Request for Loan Finance

- 6.3.1 The Finance & Corporate Services Director's paper sought approval to loan money to Albyn Enterprises Ltd (AEL) to finance the purchase of dedicated factoring software, to develop a website and to potentially purchase sundry IT equipment.
- 6.3.2 This proposal was discussed and considered by the Board members.
- 6.3.3 The Board approved the loan to Albyn Enterprises Ltd.

6.4 Update on Beauly Heating

- 6.4.1 The Chair had declared a conflict of interest for this item and he therefore left the meeting. The Vice-Chair led the meeting on this matter.
- 6.4.2 It was noted that in 2010 Albyn built 23 properties in Kings Court, Beauly. After the tenants moved in, it was discovered that the heating systems were inefficient and costly to run. The systems were undersized for the properties' requirements.
- 6.4.3 The Finance & Corporate Services Director's paper detailed the remedial work undertaken to provide adequate heating for the properties.
- 6.4.4 The Board noted the paper and approved the proposed next steps in relation this matter.

The Chair rejoined the meeting.

6.5 Mid-Market Opportunity: Dalmore, Alness

- 6.5.1 The Board was asked to approve the development of 12 mid-market rent tenure properties in Dalmore, Alness.
- 6.5.2 The paper explained that Albyn has a 200 plot site in Dalmore, Alness. Local consultation on the Master Plan has taken place and Albyn is now in a position to start developing the first phase. It was proposed that Albyn maintains ownership of the units and leases them to Albyn Enterprises Ltd for mid-market rent tenure.
- 6.5.3 The Finance & Corporate Services Director reported that Albyn staff had further mitigated the risks associated with the development by reducing the number of properties involved to 12 (the five properties excluded would be transferred to the LIFT programme). This would minimise the exposure in terms of tenure and marketability.
- 6.5.4 These properties are not included within the 100 properties to be developed each year, as agreed earlier in the meeting. This is because they are being built for mid-market rent, rather than social housing.
- 6.5.5 The Board approved the proposal to develop 12 properties for mid-market rent at Dalmore, Inverness. These will be owned by Albyn Housing Society and leased to Albyn Enterprises Ltd.

6.6 Eviction Approvals

- 6.6.1 The Customer Services Director's paper requested the Board's endorsement of a Chair's approval for the enforcement of two eviction decrees. It also requested the Board's approval of a further three requests for the enforcement of eviction decrees. Since the paper was produced, Appendix 3 had also received the Chair's approval.
- 6.6.2 The Board discussed the Chair's three approvals and the additional two requests. The Board endorsed the Chair's approvals.
- 6.6.3 The Board considered the requests for the enforcement of an eviction decree.
- 6.6.4 It was noted that a number of the evictions considered by the Board are long term arrears, some starting from the beginning of the tenancy. There was concern that, on occasion, warning signs appear in the first month. It was also noted that Albyn staff do get involved to help support tenants.
- 6.6.5 The Board members considered whether the process could be more efficient, to minimise as much as possible the arrears. They agreed that work to address any issues should start earlier. The Board recognised that the Tenancy Support Team provided helpful assistance, but perhaps this needed to be accessed earlier.
- 6.6.6 The Chief Executive referred to the extra support currently in place through the Scottish Legal Aid Board funding, which he hoped would be extended, and the recent award of the Big Lottery Fund. Both of these would help to assist and support Albyn's tenants.
- 6.6.7 Mr Macaulay acknowledged that, with the forthcoming changes in Universal Credit, it was imperative that Albyn staff continued to address this issue as a high priority. It was suggested that staff speak to RSLs whose outcomes for this issue are in the top quartile, to learn any lessons that they can offer.

6.6.8 The Board noted that Albyn performs less well in this area than its peers. The Board therefore agreed to a special focus over the next 12 months on rent arrears to ensure that the arrears are improved.

6.6.9 It was also agreed that a programme of action to be taken on this issue will be provided for the next Board meeting. A meeting will be arranged with local Sheriffs to inform them of the process from Albyn's point of view.

6.6.10 The Board endorsed the Chair's approvals and approved all of the eviction orders.

7. MINUTES OF COMMITTEE MEETINGS

7.1 There were no minutes for this meeting.

8. HEALTH AND SAFETY

8.1 There were no health and safety matters to note.

9. LEAVE OF ABSENCE

9.1 One request for a leave of absence was received for the Board meeting taking place on 27 January 2015.

10. ANY OTHER COMPETENT BUSINESS

10.1 Progress against Budget

The Finance & Corporate Services Director reported that Albyn was performing ahead of the budget. This is mainly due to the timing of some works. It was noted that information on repairs needs to be captured accurately in order to ensure that repairs can be completed first time. The Chair congratulated the staff on managing Albyn's work to bring it in under budget.

11. DATE OF NEXT MEETING

11.1 The next Board meeting is due take place on 27 January 2015 in Invergordon.

12. POLICY PROPOSALS & REVIEW

12.1 There were no reports for this meeting.

13. INFORMATION PAPERS

13.1 Welfare Reform: Update

This paper had been circulated separately by email to Board members. Since it was written, the Department for Work and Pensions had announced which UK local authorities will be part of the next roll-out. They include seven in Scotland, and Highland is one of them. This makes Albyn's successful Lottery bid outcome and potential Scottish Legal Aid Board project extension particularly timely. Albyn is working closely with local partners (including The Highland Council) to ensure advice resources are in place and targeted as quickly as possible.

13.2 **Aviemore Heating System: Update**

This paper had been circulated separately by email to Board members.

13.3 **Housing Scotland Act: Update**

This paper had been circulated separately by email to Board members.

13.4 **Notes of Meeting with Scottish Housing Regulator: 2 October 2014**

This paper had been circulated separately by email to Board members. It was agreed that the minutes will be made available to staff for their information.

14. ALBYN ENTERPRISES LIMITED: PRESENTATION

14.1 Albyn Enterprises Ltd's Business Development Manager, Ms Sam Cribb, joined the meeting for this item. Ms Cribb provided the Board with an update on the work being carried out by Albyn Enterprises Ltd (AEL).

14.2 Ms Cribb was thanked for her presentation. Mr Macaulay referred to all the work that has been carried out by AEL staff and the progress made to date. This has moved AEL on significantly over the last year, although Mr Macaulay noted that there was still work to be done.

14.3 The Chair of the AEL Board of Directors also recorded his thanks to Ms Cribb.