

Minutes of Meeting of the Management Committee of Orkney Housing Association Limited held on Wednesday 27 November 2019 at 10.30am in the Association's office.

Present: Fiona Lettice (Chair), Wendy Baikie, Philip Cook, Dave Dawson, Elaine Grieve, John Rodwell, Jason Taylor, John White and Roella Wilson (via Skype).

In attendance: Craig Spence (Chief Executive - CE)
Sandy Dennison (Finance Manager - FM)
Anne Fletcher (Director of Finance & Asset Management - DFAM)
Richard Flett (Development & Properties Manager - DPM)
Mhairi Hughes (Secretary / Head of Corporate Governance - HCG)
Paul Scott (Head of Housing & Customer Services - HHCS)
Connie Shearer (Minute Taker)

PART 1 – STANDING ITEMS

1.1 Apologies for absence

Apologies were received from Linda Forbes and Bill Wallace.

1.2 Declarations of (a) interest and (b) hospitality given/received in last 12 months for any items on the agenda.

Dave Dawson declared a possible interest in P3, Development Report as he is on OIC's Development & Infrastructure and Planning Committees.

1.3 Minutes of the Management Committee meeting held on 02 October 2019 2020/21 Rent Review Process (Minute S2.2) – A member clarified that this query referred to CPI being linked to wages and benefits and requested that the CPI model be part of the rent setting process.

With this amendment, the Minutes were agreed to be an accurate record of the meeting and were proposed by Philip Cook and seconded by Dave Dawson. The amended Minutes were later signed by the Chair.

1.4 Matters Arising & Deferred Items (Paper No MC/19/60)

The HCG reported that no Freedom of Information requests had been received by the Association to date.

1.5 Future Meeting Dates:

Wednesday 29 January, 10.30am – Management Committee

PART 2 – STRATEGY

S1 2020/21 Business Planning (Paper No MC/19/61)

S1.1 The CE gave a brief overview of the paper and, responding to a query, confirmed that the Delivery Plan mentioned at 4.1 was for 2020-21, not 2019-22.

S1.2 Members then:

- a) reconfirmed the Vision, Mission & Corporate Outcomes as detailed in Section 2 of the paper;
- b) instructed staff to take forward the necessary work to develop 2020/21 appendices to the Business Plan;
- c) agreed that the 11 December date suggested for a Management Committee training session be rescheduled to January; and
- d) noted the remainder of the paper.

S2 Rent Review (Paper No MC/19/62)

S2.1 The FM provided an update to the paper at 2.6; this should now read '20 units pa', not 25. He went over the various scenarios and resulting graphs.

S2.2 Responding to a query, the CE said that detailed appendices had been produced for the Business Plan with different scenarios modelled. However, alternative scenarios could be modelled if members requested. He said it was comforting for members that this is the first time we have done 3 years with RPI only and committing to build 20 units per year which tenants had indicated was important. He said the graph at 2.4 showed the plan in place is viable with options open to members from year 14 onwards. He said the aspiration was to ensure our rents are affordable for our tenants – and move towards CPI only or possibly deliver a rent freeze at some point in the future.

S2.3 The HHCS went over the comparability section. He said that, at the time the papers went out, we were not aware of what services others in the peer group provided. He contacted them and confirmed that OIC and Pentland HA did not provide any services, Hjaltland HA did have service charges but grounds maintenance is for communal areas only.

S2.4 A member queried why our 1apt properties cost less to rent than the peer group but the others were higher. The DPM said this referred to 8 older properties, all of which are bedsits.

S2.5 Regarding the 1year or 2year options which a member thought might be difficult for tenants to choose between, the DFAM said this was in line with what the SHR expected, ie we must give a range of options. The CE said members were free to change the Preferred Option if they so wished.

A member said that detailed work had been done on financial assumptions when doing the Business Plan and, although nothing can be predicted, we had contingency cushioning in place. He felt the 4 options as presented was acceptable, with possibly a caveat on the 2year options stating we would re-look at this in the event there are any material adverse influences.

S2.6 Following this discussion, members:

- agreed that consultation should take place on the 4 options below:

	MC Preferred Option	Alternative 1	Alternative 2	Alternative 3
Option	<p>Increase rents for the next two financial years based on September 2019 and September 2020's RPI.</p> <p>Provides a new build programme of 20 properties per year for the next 5 years.</p> <p>Please note that should September 2020's RPI be negative this will not result in a rent reduction but, rather a rent freeze.</p>	<p>Increase the rents for the next financial year only based on September 2019's RPI.</p> <p>Provides a new build programme of 20 properties per year for the next 5 years.</p>	<p>Increase rents for the next two financial years based on September 2019 and September 2020's RPI plus 1%.</p> <p>Provides a new build programme of 25 properties per year for the next 5 years.</p> <p>Please note that should September 2020's RPI be negative in excess of -1% then this will not result in a rent reduction.</p>	<p>Increase rents for the next financial year only based on September 2019's RPI plus 1%.</p> <p>Provides a new build programme of 25 properties per year for the next 5 years.</p>
Increase	<p>2020/21 September 2019 RPI (2.4%)</p> <p>2021/22 September 2020 RPI (TBC)</p>	<p>2020/21 September 2019 RPI (2.4%)</p>	<p>2020/21 September 2019 RPI Plus 1% = 3.4%</p> <p>2021/22 September 2020 RPI + 1%</p>	<p>2020/21 September 2019 RPI plus 1%. = 3.4%</p>

- agreed that the sharing owners' annual management fee should remain frozen at its current annual charge of £340.08;
- agreed that the sharing owners' annual insurance charge should be increased to £31.80; and
- noted that the feedback on the consultation will be presented to members on 29 January 2020 prior to a final decision on the 2020/21 rent increase.

S3 Revised 2019/20 Budget (Paper No MC/19/63)

S3.1 The FM said that this paper would have ideally gone to Performance & Resources Sub-committee but due to that meeting now occurring after this meeting it was being presented to the full MC for approval. He explained that a number of unforeseen factors would affect the 2019/20 Budget originally approved in March, so this revised budget had been prepared to take these factors into account

S3.2 Following a brief discussion, members approved the revised 2019/20 budget.

**S4 Interest Rate Hedging (Paper No MC/19/64)
+ Presentation from a Director of JCRA, via Skype**

- S4.1 Members had received with the papers a comprehensive report from JCRA which provided independent professional advice with regards to interest rate hedging. A Director from JCRA attended via Skype to give a summary of this report and answer any queries.
- S4.2 The report detailed:
- Background: Debt portfolio & loan facility
 - Key questions for members to consider, and Indicative Pricing
 - Recommendation (and why)
 - Next steps
- S4.3 Following the very informative and helpful presentation, members put questions to the JCRA Director and discussed the options for going forward. Members also examined the risks involved in fixing the loans and noted that any action had to take the Treasury Management Policy, together with loan covenants, into consideration.
- S4.4 Following this, members noted the full report, the presentation from JCRA, and subsequently approved the delegation of authority to both the Chief Executive and the Director of Finance & Asset Management to continue working with JCRA in negotiations.

PART 3 – GOVERNANCE & ASSURANCE

G1 SHR Annual Assurance Statement (Paper No MC/19/65)

- G1.1 The HCG gave a brief overview of the contents of the paper then members:
- a) Agreed that the paper be presented to each MC meeting to enable continuous self-assessment to ensure compliance with the Regulatory Framework;
 - b) Agreed that no material changes are required to the AAS since its submission;
 - c) Noted that no Notifiable Events have occurred or been reported to the SHR since the last meeting;
 - d) Noted the governance related policies being presented for approval later in the agenda;
 - e) Noted the additions to the Regulatory Requirements Evidence Bank as listed at Section 4 of the paper;
 - f) Noted the update provided with regards to Equalities & Human Rights; and
 - g) Noted the additions to the Regulatory Standards Evidence Bank as listed at Section 5 of the paper.

G2 Annual Committee Meeting Schedule (Paper No MC/19/66)

- G2.1 Following a brief discussion, members agreed:
- a) the proposed schedule of meeting dates for 2020/21 as in Attachment 1; and

- b) that there was no requirement to hold a Winter Engagement Event in 2020/21.

G3 Annual MC Skills & Knowledge Assessment (Paper No MC/19/67)

- G3.1 Members agreed to reschedule the workshop/training event planned for 11 December to January. They requested that the CE and HCG draw up a draft training plan to be presented back to the January meeting.

A member suggested training on how to respond to comments made on social media.

G4 Policy & Reviews (Paper No MC/19/68)

- G4.1 Members approved the:
- a) Freedom of Information & Environmental Regulations Policy as detailed in Attachment 1;
 - b) Services Policy as detailed in Attachment 2;
 - c) Finance Policy as detailed in Attachment 3; and
 - d) Policy & Planning Framework in Attachment 4.

G5 Addition of Maintenance Contractors to Approved List (Paper No MC/19/69)

- G5.1 Members approved:
- a) the addition of Drains R Us to the Approved List of Maintenance Contractors; and
 - b) the addition of Harelaw Gardening Services to the Approved List of Maintenance Contractors dependant on receipt of an acceptable reference.

G6 Resolutions & Applications for Membership (Paper No MC/19/54)

- G6.1 Members approved 3 resolutions.

PART 4 – PERFORMANCE

P1 Business Plan Progress to 30 September 2019 (Paper No MC/19/71)

- P1.1 Members reviewed and noted the mid-year status of performance, delivery and risk management.

P2 Authority for Eviction (Paper No MC/19/72)

- P2.1 Following a brief discussion, members gave authority to enforce 3 Decrees of Eviction.

P3 Development Report (Paper No MC/19/73)

- P3.1 The Crafty project is currently out to contractors for pricing as the Scottish Government are requiring our grant application to be submitted before the Christmas holidays. No contract could be signed until the ongoing issues with Planning and Scottish Water are resolved.
- P3.2 Responding to a query, the DPM said the additional works instructed at The Dairy during the construction phase were done so to reduce the future maintenance liabilities to the Association. These additions will be considered for inclusion in the New Build Design Brief for future developments where appropriate.
- P3.3 Members then noted:
 - a) the current position with the development programme, projects on-site and shadow projects;
 - b) and approved the out-turn project costs of the development at The Dairy, Junction Road.

P4 6-month Complaints & Compliments Report (Paper No MC/19/74)

- P4.1 Members noted the contents of this report.

PART 5 – ITEMS FOR DISCUSSION

D1 Estate Inspection Scrutiny Report (Paper No MC/19/75)

- D1.1 Due to time constraints, and to allow detailed discussion on this important item, it was deferred to the next Management Committee meeting.

PART 6 – ITEMS FOR INFORMATION

I1 Quarterly Write Offs (Paper No MC/19/76)

- I1.1 Members:
 - a) Noted the current position for write offs for Q2 of 2019/20, and that no write offs currently require specific Management Committee approval; and
 - b) Noted the remainder of the paper.

I2 Pensions Update (Paper No MC/19/77)

- I2.1 The DFAM gave a brief overview of the paper and members noted the contents of the report.

Any Other Urgent Business

There being no other business, the meeting closed at 1.25pm.

Signed:
Chair

Date: