

Minutes of Meeting of the Management Committee of Orkney Housing Association Limited held on Wednesday 29 January 2020 at 10.30am in the Association's office.

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

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)

Prior to the meeting, Martin Lawrie from MAKS Safety delivered a brief session on Employer Health & Safety responsibilities.

PART 1 – STANDING ITEMS

1.1 Apologies for absence

Apologies had been received from Elaine Grieve, and Bill advised he may not be able to remain for the duration of the meeting.

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

Dave Dawson, as a member of the OIC Planning Committee, and Jason Taylor, as a former staff member of the Planning department, both declared an interest in items P1 and P2 and agreed to leave the meeting for these items.

1.3 Minutes of the Management Committee meeting held 27 November 2019 **S4.4, Interest Rate Hedging (Paper No MC 19/64):**

A member queried whether the Minutes needed to be more specific with regards to the % target agreed for the Treasury Management Policy. The CE said he could check the previous Minutes and the policy to ensure discussion had been captured correctly, and come back to this at the end of the meeting under Any Other Business. Members agreed.

The Minutes were agreed to be an accurate record of the meeting and were proposed by Dave Dawson and seconded by John White. The Minutes were later signed by the Chair.

1.4 Matters Arising & Deferred Items (oral report)

There were no matters arising or deferred items to report.

1.5 Future Meeting Dates:

Wednesday 05 February, 10.30am – Audit & Risk Sub Committee

Wednesday 19 February, 10.30am – Performance & Resources Sub Committee

Wednesday 26 February, 10.30am – MC Risk Workshop/Training

PART 2 – STRATEGY

S1 Rent Review 2020/21 (Paper No MC/19/78)

S1.1 The HHCS gave a brief overview of the paper and explained that responses to the consultation has been slightly lower than last year but were still representative of our sharing owners and rented tenants. The results were in trend with what we have seen in previous years, ie they want us to continue building houses.

S1.2 A member queried whether there was a rent differential between older and newer properties as, presumably, newer buildings would cost less to run than older stock. The HHCS explained the rent setting process saying that, although new properties are built to a high energy efficient standard this does not carry any points. If tenants say their bills are too high we would ask our Energy Officer to speak to them about their energy usage.

The DPM pointed out that all our properties are less than 28 years old so there is not a big difference and there are too many other variables depending on how people lived. The CE said that over 90% of our properties already meet EESSH and this will be 100% by end of the year due to upgrading and new heating systems.

S1.3 A member suggested that acronyms used in future consultations (RPI, etc) should be explained in case people did not fully understand what this meant. This was agreed to be a good point which will be implemented for the next consultation.

S1.4 A member expressed concern about automatic rent increase in line with September 2020 RPI, in case RPI at that time is too high. The CE said it was a Management Committee decision and there would be a paper presented to them later in the year. It was agreed to add the words “subject to Management Committee approval in November 2020” to the recommendation.

S1.5 Following this discussion, members:

- a) reviewed the responses from tenants and sharing owners.
- b) agreed to the proposed rent and occupancy charge increase of 2.4% for 2020/21 and an automatic rent increase in line with September 2020 RPI for 2021/22 with no consultation taking place, subject to Management Committee approval in November 2020.
- c) noted that the increase will take effect from 1 April 2020 for all tenants and sharing owners.

S2 2020 Business Plan Update (Paper No MC/19/79)

S2.1 The CE gave a brief overview of the paper and members noted the amendment to dates at Section 2.

S2.2 Members then noted the progress with preparation of 2020-21 appendices for the Business Plan.

S3 Staffing & Recruitment Update (Paper No MC/19/80)

S3.1 Members agreed to advertise the Finance Officer post as detailed and noted the remainder of the paper which was for information only.

S4 Interest Rate Hedging (Paper No MC/19/81)

S4.1 The DFAM said that following the Management Committee meeting in November 2019 it had been hoped to finalise things by Christmas but this rolled into the New Year which was to our advantage. She explained how the loans were fixed in 2 separate tranches, and the fortunate timing ensured good fixed interest rates.

S4.2 Members noted the contents of the report.

S5 Lease (Paper No MC/19/82)

Commercially sensitive information redacted.

PART 3 – GOVERNANCE & ASSURANCE

G1 SHR Self-Assessment Update (Paper No MC/19/83)

G1.1 The CE said he had had correspondence with the SFHA regarding Equalities & Human Rights and hoped to receive guidance within the next few weeks.

G1.2 Members:

- a) Agreed that no material changes are required to the Annual Assurance Statement since its submission;
- b) Noted that no Notifiable Events have occurred or been reported to the SHR since the last meeting;
- c) Noted the governance related policies being presented for approval later in the agenda;
- d) Noted the additions to the Regulatory Requirements Evidence Bank as listed at Section 5 of the paper;
- e) Noted the update provided with regards to Equalities & Human Rights; and
- f) Noted the additions to the Regulatory Standards Evidence Bank as listed at Section 6 of the paper.

G2 P&R Chair Report (Paper No MC/19/84)

G2.1 Members noted the update and record of decisions from the Performance & Resources Sub-committee.

G3 Health & Safety Working Party Report (Paper No MC/19/85)

- G3.1 The HCG gave a short overview of the paper. In response to a query she confirmed that road tax badges no longer exist and will be removed from the relevant section once approved.
- G3.2 A member asked whether DSE (Display Screen Equipment) assessments included the use of mobile phones and tablets. The HCG said, at the moment, it was just monitors but she would check this and get back to members.
- G3.3 A member queried the acronyms on P3 and P5 and the HCG said these should have been in full but confirmed they were: NEMS – New and Expectant Mothers, and TNA – Training Needs Analysis.
- G3.4 Responding to a query, the HCG said she would get back to members on how often IOSH (Institution of Occupational Safety and Health) training should be renewed.
- G3.5 Members then:
- a) Authorised the Chair to sign both the Health & Safety Policy Statement and Section 1.5: Responsibilities: Management Committee, on behalf of members as detailed in Attachments 1 & 2 of the paper;
 - b) Approved amendments to the Health & Safety Control Manual as per Attachment 3 and detailed in Section 2.2 of the paper; and
 - c) noted the remainder of the paper.

G4 Policy & Reviews (Paper No MC/19/86)

- G4.1 Committee Member Training & Development Policy & Procedure
The HCG explained how this review came about and why the Appraisals and Skills & Knowledge Assessment paperwork was being merged into one, simpler, process. Members agreed that this was an improvement.
- G4.2 Anti-Social Behaviour (ASB) Policy
The HHCS gave an overview of the changes suggested to the ASB Policy. In response to a query, he confirmed that if a tenant has suffered from ASB a questionnaire is sent to see if action taken by the Association has been satisfactory. Feedback is received but does not raise concerns as most instances of ASB are minor, nuisance items.
- A member enquired about Acceptable Behaviour Contracts (ABCs) and the HHCS explained what these were, saying tenants who sign up to ABCs, on the whole modify, their behaviour. The result of which satisfactorily resolves ASB without the need for court action.
- Members noted the results of the consultation exercise, that legal representatives had checked the policy to ensure compliance with the Housing (Scotland) Act 2014 and hoped that this revised policy would enhance service delivery.
- G4.3 Risk Management
Minor updates were approved by members.

Members then approved the:

- a) Removal of the Committee Member Appraisal Policy & Procedure;
- b) Revised Committee Member Training & Development Policy;
- c) Adoption of the new Committee Member Training & Development Procedure;
- d) Revised Membership Procedure;
- e) Revised ASB Policy;
- f) Updated Risk Management Policy; and
- g) Noted the findings of the survey summarising the changes to the ASB policy.

Bill Wallace left the meeting.

PART 4 – PERFORMANCE

Dave Dawson & Jason Taylor left the meeting at this point.

P1 The Crafty (Paper No MC/19/87)

P1.1 The DPM summarised the paper and the situation with the development proposed for The Crafty site.

P1.2 Responding to a query, the DPM explained what 'Golden Share' properties were. He also pointed out that the report going to OIC in February goes to the Education, Leisure & Housing Committee (para 3.3 in the paper).

P1.3 After a brief discussion, members:

- a) noted the current position with the development at the Crafty; and
- b) granted authority to the DPM to sign the AHSP Grant Offer of £1,196,592 on the understanding that no contract will be entered into until Members have had the opportunity to review the financial appraisal information and made a decision on the housing tenure mix and project costs.

P2 Development Report (Paper No MC/19/88)

P2.1 The DPM summarised the position of the current projects and answered queries about the processes required before the planning application can be submitted for Upper Sunnybank, Stromness.

P2.2 Members then noted the current position with the development programme, projects on-site and shadow projects.

Dave Dawson & Jason Taylor rejoined the meeting.

P3 Authority for Eviction (Paper No MC/19/89)

P3.1 The HHCS went over the history of the case being put forward for eviction. He then highlighted the work being done by staff regarding cases which had previously received authority for eviction. A member pointed out the confusion which can be caused by Universal Credit. The HHCS agreed and explained the importance of engaging with tenants at an early stage to try to help them or point them in the direction of specialist help. Members also noted that debt continues

to increase once permission to enforce a decree has been received through to actual eviction, which can take a maximum of 6 months.

P3.2 Members then:

- a) gave authority to enforce the Decree of Eviction in the case detailed; and
- b) noted the historic cases where authority to evict has been previously granted.

PART 5 – ITEMS FOR DISCUSSION

D1 Digital Access & Electronic Papers (Paper No MC/19/90)

D1.1 The HCG went over the paper, highlighting the positives of electronic papers and asking members' views. Members brought up several points, following which the HCG explained that members could start with having their Key Documents folder, and the evidence bank for the Annual Assurance Statement (AAS) on a device but still receive papers for meetings.

D1.2 Following discussion members agreed:

- a) to receive PDFs for the next meeting, with paper copies also to be sent out, except to those who indicated otherwise; and
- b) with a view to continue working towards getting the Key Documents and AAS evidence bank electronically.

D2 2019/20 Committee Training Plan (Paper No MC/19/91)

D2.1 The CE gave a brief overview of the paper and suggested that, following the Risk Register Update Session, provided an opportunity for a session on "Housing 2040", with "Lessons Learnt from Scottish Housing Regulatory Statutory Interventions at other Housing Associations" to follow if time permits.

Members then:

- a) agreed to proceed with the CE's suggestion above regarding training on 26 February 2020;
- b) agreed to go for their belated Christmas lunch afterwards; and
- c) noted the remainder of the paper.

D3 Estate Inspection Scrutiny Report (Paper No MC/19/75)

Note: this paper was deferred from November's meeting

D3.1 The HHCS went over the contents of the paper and the Report Recommendations. He commended the Resident Panel for their work, saying he will be going through the report with them at a future meeting.

D3.2 A member enquired about tenants failing to maintain their gardens and how this will be enforced, given that Estate Management will be no longer be part of the ASB Policy. The HHCS responded that this is actually a breach of tenancy but would depend on specific issues with there being a distinction between general grass cutting and possible dangerous items being left in gardens.

D3.3 Following discussion, members agreed to approve and reject the recommendations as detailed in paragraph 4.1 of the paper.

PART 6 – ITEMS FOR INFORMATION

I1 Annual Lease Update (Paper No MC/19/92)

I1.1 A member was pleased to see that there were no management problems associated with the lease portfolio, and members noted the content of the report.

I2 Annual Service Charge Review (Paper No MC/19/93)

I2.1 Following a brief summary of the paper from the FM, members noted:

- a) the projected services equalisation position at 31 March 2020 is a deficit of £3,356, but this includes a planned deficit of £1,031. Most of the remaining £2,325 deficit will be adjusted in the charges for 2020/21, with the balance being added to the services equalisation balance.
- b) the proposed approach to service charge setting for 2020/21.

Any Other Urgent Business

Treasury Management Strategy: Following on from the discussion at 1.3 above, the CE explained the position and went back over the previous Minutes and associated Policy.

At the meeting on 2 October, Management Committee approved that the Treasury Management Policy was changed to permit up to 100% of loans being fixed.

On 27 November Members enjoyed a detailed presentation from a director of JCRA looking at risks, opportunities, certainties and costs etc of fixing loans. The proportion of fixed rate loans to variable rate loans is currently low in relation to rest of the sector. Following detailed professional advice, MC granted authority to negotiate and finalise with our main lender, an aim towards fixing up to 75% of the loan portfolio.

The CE suggested that following this expert input and training, good governance would be for members to request that this Policy be brought to the March meeting for amendment to Section 10.1 to put the range of fixed rate loans up to 75%. This was agreed by all.

There being no further business, the meeting closed at 1.30pm.

Signed:

Date:

Chair