

Minutes of Meeting of the Management Committee of Orkney Housing Association Limited held remotely via Zoom on Wednesday 01 December 2021 at 10.30am

Present: Fiona Lettice (Chair), Philip Cook, Linda Forbes, John Rodwell, Jason Taylor, Bill Wallace, John White and Roella Wilson

In attendance: Craig Spence (Chief Executive – CE)
Paul Scott (Director of Operations - DO)
Richard Flett (Development & Property Manager – DPM)
Anne Fletcher (Director of Finance– DF)
Sandy Dennison (Finance Manager – FM)
Mhairi Hughes (Secretary / Head of Corporate Governance – HCG)
Connie Shearer (Minute Taker)

PART 1 – STANDING ITEMS

1.1 Apologies for Absence

Apologies were received from Wendy Baikie and Dave Dawson.

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

There were none.

1.3 Minutes of the Management Committee meeting 06 October 2021

The Minutes were agreed to be an accurate record of the meeting and were proposed by Roella Wilson and seconded by Linda Forbes. The Minutes to be signed by the Chair at a later date.

1.4 Matters Arising & Deferred Items (Verbal report)

- 1.4.1 EVH Representative (Paper MC/21/45, Item G2.5): The Chair enquired as to who is to be the EVH representative and the HCG confirmed that Philip Cook is to take over from Dave Dawson, with Jason Taylor as Substitute.

1.5 Future Meeting Dates:

Wednesday 08 December, 10.00am – Strategy/Planning Workshop
Wednesday 26 January 2021, 10.30am – Management Committee

PART 2 – STRATEGY

S1 2021/22 Business Planning (Paper No MC/21/56)

- S1.1 The CE presented the paper which detailed the position with the new 3-year Business Plan covering 2022-25. The Strategy Day on 08 December was originally planned to be in-person but will now take place via Zoom, with a

second session to be arranged for January. He is to have a meeting with the facilitator of the session on Friday and will then send out further information to members.

- S1.3 Members then noted the current position and that the next important stage is an online strategy workshop 1000-1300 on Wednesday 8th December 2021.

S2 Revised Budget (Paper No MC/21/57)

- S2.1 The FM presented his paper which detailed a re-forecasted budget after half-year results had been finalised. The process involved all budget-holders and provided the most up-to-date forecast of this year's financial outcome, as well as providing a basis for the long-term projections.
- S2.2 A member queried the key assumption inflation rate and the FM explained this related to assumptions made in March 2021, not for the coming year which would be much higher, and that the projections take into account higher inflation during the year. The major difference between original and revised budget was maintenance works which had to be deferred, but there have been unders and overs on the works which were done. The FM said that the forecast is more accurate due to being based on tenders returned, whereas the original budget would have been estimates. The DF explained that any extra costs would be absorbed by the Association.
- S2.3 Responding to a query, the FM explained firstly how capitalised staff costs had been increased due to the resumption of a full development programme, and also how capitalised interest would be lower than estimated in the development scheme appraisal. He also explained how capitalised interest is calculated.
- S2.4 The DO answered a query about voids being increased to reflect the high number of re-lets and said this was to do with the covid pandemic and was nothing to concern us.
- S2.5 The FM confirmed that the adjustment for repaid capital grants referred to HAG repaid and abated on staircased properties.
- S2.6 Following this discussion, members approved the revised 2021/22 budget.

S3 Rent Review (Paper No MC/21/58)

- S3.1 The FM provided an overview and went over the various scenarios and resulting graphs. In relation to the CPI+0% scenario, a member enquired about the possibility of modelling it using CPI across all inflators. The CE advised that CPI does not include housing costs and would not be the most appropriate inflator to use for maintenance and other costs. The FM confirmed that maintenance costs had been inflated at RPI+0.5%, which was felt to be more prudent. Following discussion, the preference was to remain with RPI. Several other associations are using CPI as their rent inflator, but mostly CPI plus a percentage.

- S3.2 The DO gave a brief summary of the comparability, affordability and consultation sections.
- S3.3 Members acknowledged the importance of sending out a positive message to tenants during these difficult times and were keen to ensure rent increases were kept at an affordable level. They were conscious of potential hardship some tenants may be facing, given the cuts in Universal Credit. Members were hesitant about making long term commitments to cash reserves when there is so much uncertainty about inflation and also considerable maintenance to consider.
- S3.4 Following this discussion, members:

- agreed that consultation should take place on the 3 options below:

Option 1 **MC Preferred Option**	Option 2	Option 3
Three-year consultation-based on September 2021 RPI -1% in 2022/23. <ul style="list-style-type: none"> • 3.9% Increase 2022/23 Only Years 2 and 3 based on September 2022 and 2023 RPI +0%. <ul style="list-style-type: none"> • TBC Increase 2023/24 • TBC Increase 2024/25 	Three Year Consultation based on RPI + 0% for three years. <ul style="list-style-type: none"> • 4.9% Increase 2022/23 • TBC Increase 2023/24 • TBC Increase 2024/25 	One year consultation based on September 2021 RPI + 0%. <ul style="list-style-type: none"> • 4.9% Increase 2022/23 Only.

- agreed that the annual insurance charge for owners and sharing owners should be increased to £64.80 pa; and
- agreed that the annual management fee for sharing owners should remain frozen at its current annual charge of £340.08 for another year.

Linda Forbes and Bill Wallace left the meeting.

PART 3 – GOVERNANCE & ASSURANCE

G1 SHR Self-Assessment Update (Paper No MC/21/59)

- G1.1 The HCG presented the paper and explained that the Equality, Diversity & Human Rights Policy and the Internal Audit Policy have both been updated as per SHR and SFHA guidance. An Equalities Strategy & Action Plan will be presented to members at a later date.
- G1.2 The Evidence Bank in Microsoft Teams has been updated with all documents which members can access.
- G1.3 Members:
- a) Agreed that no material changes are required to the AAS since its submission;
 - b) Noted that no Notifiable Events have occurred or been reported to the SHR since the last meeting;
 - c) Noted the amendments to the list of Governance Related Policies;

- d) Noted the Regulatory Requirements Evidence Bank additions and progress with regards to Regulatory Requirement 13 as detailed in Section 5 of the paper;
- e) Note the Regulatory Standards Evidence Bank additions per Section 6 of the paper; and
- f) Noted the COVID-19 Evidence Bank additions as per Section 7 of the paper.

G2 Annual Committee Meeting Schedule (Paper No MC/21/60)

- G2.1 This paper presented the standard meeting schedule for the coming year. A member pointed out that there was a similar date suggested for P&R and ARM sub-committees; one of these will be changed.
- G2.2 A member expressed hope that summer engagement event could take place next year with the Resident Panel and possibly a joint event with OIC. The CE said there may be an option for an engagement event with members of other, similarly-sized, housing associations – Hjalmland, Lochalsh & Skye and Lochaber. Discussions are underway and he will report back to members in January on this possibility.
- G2.3 Members then agreed:
 - the proposed schedule of meeting dates for 2022/23; and
 - noted the proposed date for the 2022 Christmas lunch/meal.

G3 P&R Chairs Report (Paper No MC/21/61)

- G3.1 Management Committee noted the update and record of decisions from the Performance & Resources Sub-committee meeting.

G4 Staffing Update (Paper No MC/21/62)

- G4.1 The HCG gave a brief overview of the paper. A member enquired whether the 0.4 Asset Management role is to be filled but the HCG said this would be covered by existing staff meantime.
- G4.2 Management Committee noted the contents of this paper, said they were pleased that staff were taking advantage of training opportunities and passed on their congratulations to staff on their recent exam success.

G5 Policy & Reviews (Paper No MC/21/63)

- G5.1 Equality, Diversity & Human Rights Policy
This new policy was based on a model issued by the SFHA and tailored to OHAL.
- G5.2 Internal Audit Policy

This was updated following revised guidance from SFHA and includes sections on procuring Internal Audit Services and individual responsibilities.

G5.3 Recruitment & Selection

This has been updated to reflect current practice and aligns with the updated Equality, Diversity & Human Rights Policy.

G5.4 Members approved the:

- a) Equality, Diversity & Human Rights Policy;
- b) revised Internal Audit Policy, as recommended by Audit & Risk Management Sub-Committee; and
- c) revised Recruitment & Selection Policy.

Linda Forbes re-joined the meeting.

G6 Resolutions & Applications for Membership (Paper No MC/21/50)

G5.1 Members approved the resolution in respect of one shared ownership disposal and noted the remainder of the paper.

PART 4 – PERFORMANCE

P1 Business Plan Progress to 30 September 2021 (Paper No MC/21/65)

P1.1 This paper summarised the Q2 reports that went to the Performance & Resources Sub Committee and the Audit & Risk Management Sub Committee. The CE briefly went through the attachments and was pleased to report positive progress with KPIs.

P1.2 Members noted the contents of this paper.

P2 6-month Complaints & Compliments Report (Paper No MC/21/66)

P2.1 The HCG reported that the number of complaints received had fallen slightly since last year with over 94% responded to within timescales. She was pleased to note that those around garden and grounds maintenance had dropped and that unsolicited compliments had increased significantly, as services had resumed following lockdown.

P2.2 Responding to a query on comparisons with our peer group, she confirmed that complaints are reported through the ARC which the SHR publishes so these are available to view.

P2.3 Members noted the contents of this report.

P3 Development Report (Paper No MC/21/67)

- P3.1 The DPM updated members on current developments. He noted that, although progressing well, there have been delays in obtaining materials etc. Work at The Crafty is expected to complete by the end of February 2022, and Kirk Park, Orphir by the end of January 2022. Walliwall phases 6 and 7 are also progressing well.
- P3.2 A meeting with the Evie & Rendall Community Council showed strong support for development though no real preference for housing mix.
- P3.3 A short discussion took place on OHAL's input to OIC's SHIP document.
- P3.4 Members noted the current position with the development programme.

P4 Report from Health & Safety Working Party (Paper No MC/21/68)

- P4.1 This report detailed the recent Health & Safety Working Party which reassured members that all regular safety checks and inspections continue as normal.
- P4.2 Members noted the contents of this report.

P5 LIBOR Transition Update (Paper No MC/21/69)

- P5.1 The FM's paper advised members on the final part of the LIBOR transition. Feedback from Chatham Financial and TC Young had been sought and both were favourable.
- P5.2 The Association had been requested to enter into Agreements ("Transition Agreements") with Nationwide Building Society to amend the terms of the Association's existing facility agreements ("Facility Agreements") with Nationwide in order to document the mechanics for the change in floating rate interest basis from LIBOR to the Sterling Overnight Interest Average (SONIA).
- P5.3 The purpose of this meeting was to consider and, if thought fit, approve the Association entering into the Transition Agreements and all related matters thereto, and it is recommended that:
- P5.4 The terms of the Transition Agreements and Officer's Certificates be and are hereby approved in the form of the drafts presented to the meeting with such amendments as an Authorised Signatory (as specified in paragraph 5.4 below) shall in their absolute discretion approve; and that
- P5.5 Any one of the following people:
- Anne Fletcher, Director of Finance
Alexander Dennison, Finance Manager
- (each an "Authorised Signatory" and together the "Authorised Signatories") be and are hereby authorised to execute and deliver or acknowledge receipt (as the case may be) on behalf of the Association of:

- P5.6 The Transition Agreements in the form produced to the meeting with such amendments thereto, if any, as may be approved by any Authorised Signatory in the sole discretion of that person;
- P5.7 Any other agreement or documents which are required in connection with the Transition Agreements and are approved by any Authorised Signatory including without prejudice any Certificate provided by Nationwide in connection with the Association's powers, ability, authorisation or others to enter into this Agreement and
- P5.8 Any one or more Authorised Signatory be and are hereby authorised to do all such acts and things and agree and execute on behalf of the Association all notices, communications, certificates or other documents and to take any other action as may be required in terms of the Transition Agreements and to do all acts and things as may be necessary or expedient to give effect to the transactions contemplated thereby or might otherwise be desirable in connection therewith.

PART 5 – ITEMS FOR DISCUSSION

D1 Electronic Devices for Management Committee Members (Paper No MC/21/70)

- D1.1 The HCG presented the paper which set out options for members to receive electronic devices which would enable safe, secure, access to committee papers/ documents and Microsoft Teams.
- D1.2 Members had a good discussion and agreed to continue with electronic committee papers. However, a number of queries were raised and the HCG will discuss these with the IT consultant and report back to members.
- D1.3 Management Committee discussed the options presented in the paper and:
- a) Agreed to continue with electronic Management Committee papers; and
 - b) Agreed that the HCG would discuss technical queries with IT consultant and report back to members.

PART 6 – ITEMS FOR INFORMATION

None

1) A lot of talk about Environmental, Social and Governance (ESG) policies, with a number of Housing Associations going down this route. Going forward, lending is likely to be determined by climate agendas so this is something which should be on our radar.

Any Other Business

Jason Taylor gave some feedback from the recent SFHA Finance Conference:

- 1) A lot of talk about Environmental, Social and Governance (ESG) policies, with a number of Housing Associations going down this route. Going forward, lending is

likely to be determined by climate agendas so this is something which should be on our radar.

- 2) Funding opportunities are available if the Association were ever to consider development of historical buildings.

Members queried the ESG and decarbonisation agenda and the CE said this will be brought up at next week's Strategy Day.

A planned presentation by the Development & Properties Manager was deferred to a later date.

There being no further business, the meeting closed at 1.05pm.

Signed:

Date:

Chair