

Minutes of Meeting of the Management Committee of Orkney Housing Association Limited held in the Association's offices and via Zoom on Monday 31 October 2022 at 10.30am

Present: In person: Fiona Lettice (Chair), Philip Cook, Bruce Pilkington and John White
Remotely: John Rodwell, Mervyn Sandison and Bill Wallace

In attendance: Craig Spence (Chief Executive – CE)
Anne Fletcher (Depute Chief Executive – DCE)
Ruth Glover (Finance Manager - FM)
Mhairi Hughes (Secretary / Head of Corporate Governance – HCG)
Richard Flett (Development & Properties Manager – DPM)
Connie Shearer (Minute Taker)

PART 1 – STANDING ITEMS

1.1 Apologies for Absence

Apologies were received from Brian Kynoch, Roella Wilson and Paul Scott (Director of Operations).

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 Management Committee meeting held 28 September 2022

The Minutes were agreed to be an accurate record of the meeting and were proposed by Philip Cook and seconded by Bill Wallace. The Minutes to be signed by the Chair at a later date.

1.4 Matters Arising & Deferred Items (Verbal update)

Care & Repair Services Tender: The CE was disappointed to report that, almost 6 months after the deadline, there was still no progress with the tender. This is very frustrating for the service, given that there is an impending retirement and associated recruitment. The CE is, however, in the process of escalating the matter to OIC's Chief Executive.

1.5 Future Meeting Dates:

Wednesday 16 November, 10.30am – Performance & Resources Sub Committee

Wednesday 23 November, 09.45am – Audit & Risk Management Sub Committee Training Session

Date to be confirmed (end Nov/start Dec) – Health & Safety Working Party

Wednesday 30 November, 10.30am – Management Committee

Wednesday 07 December, 10.30-12.30 – Strategy/Planning Workshop with Christmas Lunch. Philip Cook tendered his possible apologies in advance.

PART 2 – STRATEGY

S1 Annual Business Plan Programme (Paper No MC/22/48)

- S1.1 The CE's paper sought members consideration, input and approval of the proposed process and timetable for business planning for production of updated appendices for 2023/24 as part of the Association's business plan covering 2022-25.
- S1.2 Following a discussion on the process and timetable, members agreed that the work to support development of updated detailed appendices for 2023-24 as part of our Business Plan is progressed, and approved the process as set out in Section 3 of the paper.

S2 Rent Setting and Affordability (Paper No MC/22/49)

- S2.1 The CE introduced and summarised the paper and went over the background leading up to the paper which provided detailed information to consider regarding setting rents for 2023/24. As previously requested, a number of scenarios had been modelled for consideration and the FM went over these, explaining that the final scenario in the paper was more complex and required further work.
- S2.2 Members acknowledged the huge amount of work undertaken on the paper, the modelled scenarios and had a lengthy discussion including:
- Looking at achievable savings now rather than wait for the Scottish Government (SG) decision on a rent cap in January;
 - Stopping development is a possibility but is this the correct way to go;
 - Re-financing options for loans (due in 2024 and 2025) – though cash reserves may cover this;
 - Savings may be made through - reducing development, undertaking essentials only ie no kitchens etc, curtailing more service deliveries, staff costs, cuts to repairs;
 - The Scottish Housing Regulator's letter reminds Registered Social Landlords (RSL) that Boards are required to maintain a viable business but keep rents affordable – however in the current climate, this is a challenge;
 - The RSL sector has made strong representation to the SG;
 - We have difficult decisions to make to cut back on costs sufficiently whilst maintaining our cash balances;
 - Legal advice being sought with regards to tenant consultation.
- S2.3 The CE thanked members for their helpful contributions. He summarised members' wishes for staff to work out scenarios for 0% and 5% rent cap whilst acknowledging the challenge faced with so many other uncertainties. Assumptions must be made on what interest rates and borrowing costs could be. This work will be presented to members at either the November MC meeting or the Strategy Day, scheduled to take place a week later.
- S2.4 Following thorough discussion and scrutiny, members:

- Noted the guidance which has been issued by Scottish Government and the Scottish Housing Regulator;
- Noted the requirement to comply with Regulatory Standard 3 – “*The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay*”;
- Noted the current position and impacts to the Association and our tenants as we enter year 2 of an existing 3-year consultation;
- Considered the details of the scenarios modelled and impacts for the Association;
- Noted the indicative timetable as outlined at 5.2; and
- Instructed Leadership Team to continue monitoring the situation and to model two scenarios for 0% and 5% rent cap for 2023/24 for members’ consideration at either the November meeting or Strategy Day.

PART 3 – GOVERNANCE & ASSURANCE

G1 SHR Annual Assurance Statement (Paper No MC/22/50)

G1.1 The HCG gave an overview of the contents of the paper which detailed all the work undertaken for members to be as informed as they can be to make a reasoned decision on approving the Annual Assurance Statement. The full digital evidence bank in the dedicated, secure, members group in Microsoft Teams is kept updated and can be accessed by members whenever they wish.

G1.2 She explained that the SFHA had updated their Self Assurance Toolkit and a summary of the changes and the Association’s responses were detailed in the paper.

G1.3 Members acknowledged the very complete and detailed report.

Following brief discussion, members:

- a) agreed that the information contained in the paper, attachments and evidence bank provided sufficient information and evidence to enable them to make an informed decision regarding the format and content of the Annual Assurance Statement; and
- b) authorised the Chair to sign it and the Head of Corporate Governance to submit it to the Scottish Housing Regulator on their behalf.

G2 Policy Reviews & Approvals (Paper No MC/22/51)

G2.1 Following brief discussion about the Treasury Management Policy, members:

- a) Noted the progress with outstanding policy work outlined in Section 1 of the paper;
- b) Noted the minor updates to forms which were appended to the EPB Procedure as detailed in Section 2 of the paper;
- c) Approved the revised Scheme of Delegations per Section 3 of the paper and Attachment 1 to the paper;

- d) Approved the revised Standing Orders for Committee Business per Section 4 of the paper and Attachment 2 to the paper; and
- e) Approved the Treasury Management Policy per Section 5 of the paper and Attachment 3 of the paper.

G3 Staffing Update (Paper MC/22/52)

- G3.1 The HCG presented the paper and members were particularly pleased to note the numbers of applicants for the Housing Services Officer/Trainee vacancy.
- G3.2 Members passed on their congratulations to Paul Scott on his appointment to the Board of the Chartered Institute of Housing (Scotland).
- G3.3 Management Committee noted the contents of the paper.

PART 4 – PERFORMANCE

P1 Welfare Reform Update (Paper No MC/22/53)

- P1.1 A member queried the relatively small amount (£1,800) used to date from the budgeted Tenancy Sustainment Fund (£30,000). The DCE said this was something the DO could come back to members about at the next meeting, though things are likely to change coming into winter. The Chair said that proactive customer service aiming to keep tenants out of rent arrears has helped.
- P1.2 Members noted the content of this paper and the Welfare Reform Mitigation Plan as detailed at Attachment 1 to the paper.

P2 Development Report (Paper No MC/22/54)

- P2.1 The DPM presented the paper which detailed the current position with the development programme. He informed members that uptake on the NSSE properties at Yorston Drive, Stromness has been slow but perhaps not surprising given the current economic climate.
- P2.2 Members noted the current position with the development programme.

PART 5 – ITEMS FOR DISCUSSION

There were none.

PART 6 – ITEMS FOR INFORMATION

There were none.

Any Other Business

There being no further business, the meeting closed at 12.20pm

Signed:

Date:

Chair