

Minutes of a Meeting of the Management Committee of Orkney Housing Association Limited, held in the office and via Teams on Wednesday, 27 August 2025 at 10.30am

Present: In person: Brian Kynoch (Chair), Mary Ann Lewis, Bruce Pilkington, Mervyn Sandison, John White and Roella Wilson.
Remotely: John Rodwell

In attendance: Craig Spence (Chief Executive – CE)
Mhairi Hughes (Head of Corporate Governance – HCG)
Tracey Longworth (Director of Housing & Operations – DHO)
Kirstin Mackay (Director of Finance – DF)
Connie Shearer (Minute Taker)

Remotely: Francesca Dempsey, Wbg (FD)

Observing: John Foster

PART 1 – STANDING ITEMS

1.1 Apologies for Absence

Apologies were noted from Fiona Lettice, Suzanne Lawrence and Donald Macleod (Hebridean Housing Partnership).

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

There were none.

Item G1 was taken at this point after which Francesca Dempsey, Wbg, left the meeting.

1.3 Minutes of the Management Committee meeting held 30 July 2025

The Minutes were agreed to be an accurate record of the meeting and were proposed by Roella Wilson and seconded by Bruce Pilkington. The Minutes were later signed by the Chair.

1.4 Matters Arising & Deferred Items (Paper No MC/25/32)

1.4.1 The CE updated members on development at Walliwall 9A and the opportunity of additional grant funding which the CE accepted in line with the principle of the decision taken by members at the ESC meeting on 07 March 2025. He requested ratification of this decision, and authority to approve payments in line with the quantity surveyor valuations.

1.4.2 Members were also updated on the position regarding future development land. The CE said discussions with OIC are progressing in relation to a land exchange and due diligence is being carried out by the Association. Members noted that

OHA and OIC have the same 'end' point but a process to suit all parties must be agreed and compliant with Charity law and regulatory requirements. Members instructed staff to continue with due diligence work.

1.4.3 Following a lengthy discussion, members:

- 1) ratified the decision of the Chief Executive to accept the grant offer of £923,090.36 for Walliwall 9A which has a positive cashflow impact for the Association, and authorised the CE to approve payments in line with the quantity surveyor valuations; and
- 2) noted the position regarding future development land and authorised the CE or the Chair to respond appropriately as required.

1.5 **Future Meeting Dates:**

Tuesday 16 September, 5.30pm – Annual General Meeting

Wednesday 01 October, 10.30am – Management Committee

PART 2 – STRATEGY

None

PART 3 – GOVERNANCE & ASSURANCE

G1 Report & Financial Statements for the year ended 31 March 2025 (Paper No MC/25/33) – *this item taken after 1.2, above.*

- G1.1 Francesca Dempsey (FD), Wbg, presented the paper and informed members the Accounts had gone to the ARM meeting in August, and any questions following that meeting had been answered. She went on to provide an overview of the audited Report & Financial Statements for the year.
- G1.2 FD informed Members that the audit did not identify any recommendations for management this year, and there were none made in the previous year to follow up progress on, so was pleased to report a positive, clean audit.
- G1.3 The FM then presented highlights from the Report & Financial Statements which showed a very good performance over the year. There was a final surplus of £1.68m and the Association's position overall was very strong. Arrears and voids remain low, and deliverables were achieved on time. She thanked Wbg for a smooth audit process which showed good collaboration between the two organisations.
- G1.4 Members wished to express their thanks to the Finance team for all their hard work.

G1.5 Members then:

- 1) approved the Report and Financial Statements for the year to 31 March 2025 as presented; authorised the Chair to sign the Report of Management Committee at page 5; and the Chair, another Committee Member, and the Secretary to sign the Statement of Financial Position at page 12.
- 2) noted the contents of the External Auditor's Annual Report to the Management Committee for year ended 31 March 2025; and approved the Association's response letter "*Management Letter and Audit Findings at 31 March 2025*" for issue to Wbg (Audit) Ltd;
- 3) approved the Letter of Representation and authorised the Chair and Chief Executive to sign the letter on their behalf; and
- 4) authorised the Director of Finance to complete and submit the Annual Accounts submission to the Scottish Housing Regulator based on the financial statements, on the Chair's behalf, after approval at the AGM.

G2 Performance & Resources Chair Report (Paper No MC/25/34)

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

G3 Audit & Risk Management Chair Report (Paper No MC/25/35)

- G3.1 A member enquired about the length of the contract OHA has with Wbg. The HCG confirmed this was until 2027/28 with the option of extending two further years annually. This had been brought up at the recent ARM meeting where it was noted that there is a lack of external auditors in Scotland at the moment.
- G3.2 Members noted the update and record of decisions from the Audit & Risk Management Sub-committee meeting.

PART 4 – PERFORMANCE

None

PART 5 – ITEMS FOR DISCUSSION

None

PART 6 – ITEMS FOR INFORMATION

D1 Community Bonds Update (Paper No MC/25/35)

- D1.1 The CE presented the paper which gave background info on the Orkney Community Housing Bonds, updated members on progress and sought approval of the bond prospectus.

D1.2 Members had constructive discussion, including:

- criteria of investors, ie, not MC members, General members, staff, tenants, etc;
- what would happen if a bond holder died;
- a 'Frequently Asked Questions' page to be included with the prospectus;
- if list of bond holders will be made public – answer, no;
- whether bond holders would be unable to become MC members;
- the build standard of houses to be leased to our subsidiary for MMR;
- possible issues with investors from outwith Orkney, ie, 'know your customer';
- wish to raise £1m minimum through local investment.

D1.3 The Chair thanked the CE and staff for bringing the project to where it is at and he looked forward to its launch in the near future.

D1.4 Following discussion, members:

- 1) noted the background on Community Bonds;
- 2) noted the work undertaken to date and that expert advisors have been engaged and inputted to the prospectus;
- 3) scrutinised the Community Bonds prospectus;
- 4) approved the prospectus, subject to finalisation of the areas outlined in the paper, subsequent advice from main advisors, and any other minor typographical, presentational changes; and
- 5) instructed the CEO to share the final prospectus and all finalised information with the Scottish Housing Regulator and lenders for approval.

Any Other Competent Business

The HCG reminded members of the upcoming Highlands & Islands Chair and Governance Officers meeting and SFHA's Governance Conference (for which we have one free space) which she and the Chair are attending, over 9/10 September in Glasgow, if any member wished to go along.

There being no further business, the meeting closed at 1200hrs.

Signed:

Date:

Chair