



**MEETING OF THE OSPREY HOUSING BOARD
27 FEBRUARY 2023 10:00 – WESTHILL OFFICE AND ZOOM**

Present: Mike Scott, Director OH Board, Chair (MS)
Les Allan, Director OH Board: Vice Chair (LA)
Brian Topping, Director OH Board (BT)
Jonathan Young, Director OH Board (JY)
Jim Milne, Director OH Board (JM)
Alison Mitchell, Director OH Board (AM)
Raymond Edgar, Director OH Board (RE)
Douglas Bodie, Director OH Board (DB)
Simpson Buglass, Director OH Board (SB)
Claire Crawford, Director OH Board (CC)
Brian Watson, Director OH Board (BW)
Stuart Robertson, Director OH Board (SR)
Rab Hepburn, Director OH Board (RH)

Apologies: John Connelly, Director OH Board (JC)
Dan Thompson, Director of Housing Services, Osprey (DHS)

Attending: Stacy Angus, Chief Executive Officer, Osprey (CEO)
Gary Walker, Director of Finance, Osprey (DOF)
Clare Ruxton, Director of Corporate Services, Osprey (DCS)
Hugh Crothers, Director of Assets and Sustainability, Osprey (DA)
Sofia Redford, Corporate Services Officer, Osprey (CSO) (Minute)
Elaine Byrne, Consultant, Arneil Johnston (Item 5 only)

Minute No	Subject	Action
1	Welcome and Apologies Apologies as noted above	Chair
2	Declarations of Interest There were no changes to the standard declarations.	Chair
3	Minutes of meeting held on 23 November 2022 The minute of the Board meeting held on 23 November 2022 was agreed as a correct and accurate record. Approval of the minute was proposed by JY and seconded by SB.	Chair
4	Matters Arising There were no matters arising that were not otherwise covered on the agenda.	Chair

Minute No	Subject	Action
	Items for Decisions	
5	Presentation by Elaine Byrne	
5.1	<p data-bbox="300 353 651 385">Business Plan Review</p> <p data-bbox="300 434 1318 696">EB informed the Board that Arneil Johnston had been commissioned to undertake a financial health check on the 2023-24 Business Plan and to review the assumptions applied and the outcomes forecasted in light of current economic and sector trends. This independent review provides the Board with assurance that the 2023-24 Baseline Business Plan has been based on realistic and prudent assumptions and evidence future viability.</p> <p data-bbox="300 741 1161 772">Following a detailed presentation, it was recommended that:</p> <ul data-bbox="347 817 1311 1391" style="list-style-type: none"> • Osprey update the Business Plan on a regular basis to take account of changes to the development programme both in terms of costs and phasing. • Arrears performance should continue to be closely monitored to assess if the Business Plan assumptions should be updated. • Once the new EESSH2 and Net Zero requirements are published later in 2023 - assess the investment requirements and factor this into the following years Business Plan. • Commence dialogue with relevant lenders to ascertain if more restrictive covenants are likely. • Inflationary increases continue to be monitored to validate Business Plan assumptions and the Plan updated accordingly. • Continue to monitor budget variances as risks and should there be a material change to the assumptions made in the baseline plan the Plan should be revisited. <p data-bbox="300 1435 475 1467">The Board:</p> <p data-bbox="300 1512 1311 1736">Considered the content of the presentation from Arneil Johnston and approved the above recommendations with a view to reaching decisions relating to the short, medium, and long term viability of the Business Plan commitment to deliver services, improvements and growth in line with the current plan.</p>	EB

Minute No	Subject	Action
5.1	<p>2023-24 Budget The DOF presented the draft budget for 2023/24.</p> <p>The following assumptions were used when preparing the budget:</p> <ul style="list-style-type: none"> • All benefit eligible Service Charges have been incorporated into Rental Income and no longer show as a separate budget head. • Rental income is based on a rent increase of 4% (excluding former ASHS tenants). • Void Rent Loss has been set at 1.0% (increase of 0.3% on 2022/23). • Lease income has reduced to £100,4171 as result of the sale of the MMR stock on 1 February 2023. • Bad Debts have been set at 2.0 (increase of 0.5% on 2022/23). • Grant Release and Depreciation is significantly lower due to the late accounting change following the TOE of OHM and ASHS into OH. • Staff Salaries include the approved staffing establishment changes along with an annual cost of living increase of 7.0% as recommended by the Remuneration Committee. This has been partially offset by a reduction in the level of pension contributions as a result of closing the NESPF. • IT costs have risen by a further 16% as a result of our continuing focus on digital service provision. • The repairs contract has been extended for a further 1 year at an uplift of 12%. • Provision for Void Maintenance is based on 150 void properties per annum at a cost of £3,002 per property. • Planned/Cyclical Maintenance relates to the external painterwork programme, the annual servicing of heating and electrical systems as well as items identified under the Life Cycle Costing (LCC) Report and those previously designated as Recoverable Service Costs. • Loan interest has benefitted from a repayment of RCF debt following the sale of our MMR stock. This has saved an estimated £495K of loan interest costs in 2023/24. • Development expenditure after grant is forecast to be £1.32M, delivering a further 27 social housing units. • Capital expenditure on housing component renewals is forecast to be £1.65M. <p>The forecasts have been prepared to ensure that loan covenant compliance has been achieved.</p>	DOF

Minute No	Subject	Action
	<p>The anticipated surplus is expected to be £1,877,883 with expected year end cash balances of £3,802,210.</p> <p>The Board:</p> <p>Considered and discussed the contents of the report and approved the proposed budget for 2023/24. This was proposed by LA and seconded by JY.</p>	
5.3	<p>Rent Increase</p> <p>The Board noted that rent consultation has been undertaken on proposals of 3, 4 and 5% included as part of the process. It was shared with tenants that the preferred increase for the business was 4% which was recommended by both the Housing and R&G Committee following review of the consultation outcomes. The presentation by Arneil Johnston had demonstrated the impact of a 4% rent increase in the context of organisational viability alongside the updated model of affordability for tenants. The sector and local comparisons demonstrated that Osprey’s proposal of 4% was below the average of anticipated rent increased and evidences the commitment Osprey has to minimise rent increases for our tenants despite the current challenging economic context.</p> <p>The Board:</p> <p>Approved a rent increase of 4% for 2023/24 taking into account the rent consultation outcomes and the affordability data provided in the Arneil Johnston presentation. This was proposed by MS and seconded by RH</p>	CEO
6	<p>Chief Executive’s Report</p> <p>The CEO presented a report providing the Board with an overarching Governance mechanism for:</p> <ul style="list-style-type: none"> • Being kept informed of progress against overall Business Strategy, identifying emerging strategic considerations and highlighting any specific exceptional strategic and operational matters that may influence Business Plan objectives (not otherwise covered by a separate report). • Approving and endorsing policies/strategies/new initiatives and noting key issues and outcomes from committees. • Highlighting any specific/new matters for assurance and risk consideration. 	CEO

Minute No	Subject	Action
	<p>There had been no decisions taken during the period under delegated authority through the fast track process:</p> <p>Policy/Strategy Approvals</p> <p>The following policies had been reviewed by the relevant committee and recommended for approval:</p> <ul style="list-style-type: none"> • Finance Regulations • Anti-Bribery Policy • Decant Policy • Rent Policy • Service Charge Policy • Repairs and Maintenance Policy • Associate Membership Policy • Reward and Recognition Policy <p>The Board:</p> <ul style="list-style-type: none"> • Unanimously approved the policies. <p>Committee Outcomes</p> <p>The Housing and Corporate Services Committee met on 1 February and R&G Committee on 15 February.</p> <p>Corporate Services Committee – the following items were agreed and noted:</p> <p>Board member performance reviews 2023 – these are due to take place during March/April and outcomes will feed directly into the succession plan.</p> <ul style="list-style-type: none"> • Succession Plan update – Board membership succession scheme had been approved and post has been advertised. • IIP update – The annual assessment had taken place on 12 December. The conclusions were positive and work has started on areas highlighted. • Coronation office closure – The Committee approved an additional bank holiday to take place on 8 May to mark the coronation of King Charles III. 	

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	<p>Housing Committee – the following items were agreed and noted:</p> <ul style="list-style-type: none"> • Performance – Osprey had been awarded £86K from the Scottish Housing Fund to be distributed to tenants impacted by fuel costs and the cost of living crisis. • Incident Report – The DAS had provided an update on the sprinkler system incident that affected a number of properties in Sauchen and Inchmarlo. • Rent Consultation – The DHS had provided an update on the rent consultation exercise and recommended a 4% increase. • Asset Management Report – The DAS had provided an update on the current works programs which are all progressing well. <p>Resource and Governance Committee – The following items were agreed and noted:</p> <ul style="list-style-type: none"> • Rent Consultation - The CEO had provided an update on the rent consultation exercise and recommended a 4% increase. • Audit Plan – Approved the 2023/24 external audit plan. • Treasury Management – The DOF had informed the Committee of the change to interest receivable, confirmation that the proceeds of the sale of the MMR properties had been used to repay variable rate debt. Authority had been given to formally request the first extension to the RCF. • Draft budget – Reviewed and recommended to Board for approval. • Policy Review – Financial Regulations and Anti-Bribery Policies had been reviewed and recommended to Board for approval. • Financial Performance – Q3 performance noted. • Internal Audit Tender – Update on tender process noted. • Incident Report – A report on the sprinkle system incident at Sauchen and Inchmarlo was noted. <p>OIL Board – The following items were noted and agreed</p> <p>The OIL Board met on 15 February. All items discussed are covered as individual items on the agenda.</p>	

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	<p>Remuneration Committee – The following items were agreed and noted:</p> <p>The Remuneration Committee met on 16 January. All items discussed are covered as individual items on the agenda</p> <p>Performance</p> <p>Quarter three performance outcomes demonstrate consistent performance from each of the teams across the full range of KPIs.</p> <p>Strategic/Business Planning Issues</p> <p>Inflation and Cost of Living and Emergency Legislation</p> <p>The Board noted the excellent work undertaken by the SFHA in lobbying the Scottish Government (SG) following the emergency legislation announcement in September 2022. In January 2023 the SG announced that they would not extend the rent freeze in the social housing sector beyond 31 March 2023. The Board recognised that this was an excellent outcome for the sector.</p> <p>SHR letter to landlords – Mould and damp in properties.</p> <p>This letter had been issued following the tragic death of a child in an England based Housing Association from exposure to mould. The Board noted that information on how to prevent mould and condensation forming in properties had been included in the Winter Newsletter. It was noted that the repairs and maintenance policy now made specific reference on how to treat mould and damp and it was shared that the process for Osprey was that all reports of damp/mould are inspected in person by an AMO.</p> <p>ESG update</p> <ul style="list-style-type: none"> • Osprey are now formal adopters of the SRS ESG framework. • E Sustainability Working Group to be set up to create the action plan for delivering the E strategy. LA, SB, CC and JY agreed to take part in the Working Group. • CLO accreditation – Board and staff members undertook Carbon Literacy training via Keep Scotland Beautiful during November and December 2022. This was a key first step towards applying for Carbon Literacy Organisation accreditation in April 2023. 	

Minute No	Subject	Action
	<p>Asset Management Guidance – Publication</p> <p>The Board noted that the SHR had published the updated Integrated Asset Management Guidance earlier in February. Areas for significant consideration are:</p> <ul style="list-style-type: none"> • Emphasis and priority on compliance, in particular health and safety related aspects. • Focus on quality of data held and used to make strategic business decisions • Assurance for Board on how we invest in our properties, through both operational and strategic management. <p>An initial review of our Asset Management Strategy has already been undertaken by DAS and CEO however the publication will allow this to be finalised and taken to the next governance cycle for approval. JM and BW volunteered to review the strategy document ahead</p> <p>Wider Sector Influence/Involvement</p> <p>CEO is now part of the SHR engagement group and the first meeting had now been held. The following key items were noted:</p> <ul style="list-style-type: none"> • Recent media – impact on tenant expectations and subsequently tenant satisfaction outcomes and number of complaints • Cost of living – support to tenants and wider organisational risks • Property condition – EESSH review/costs and sector response to the mould/damp issues highlighted. 	
7.	Performance	
7.1	<p>KPI Targets 2023/24</p> <p>The CEO presented the proposed KPI targets for 2023/24 for review.</p> <p>The Board were in general supportive of the targets proposed however questioned whether a KPI showing the number of households with more than 3 months rent arrears would be beneficial in additions to tenants with £1.5K + arrears. The CEO to discuss with DHS as part of reviewing the more detailed arrears reporting shared with Housing Committee.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Approved the proposed KPIS for 2023/24 	CEO

Minute No	Subject	Action
7.2	<p>Development Update</p> <p>The DOF presented a report on behalf of the DAS providing the Board with information regarding the progress at our current and potential New Build Programs</p> <p>Inchmarlo – Work started on site on December 21. Handovers started in August 2022 and the final 8 Flats were handed over in December 2022.</p> <p>In December 2022 several properties were damaged by flooding caused by frost affecting the sprinkler systems to burst. See Agenda item 8.5.</p> <p>Hamilton Drive, Elgin – The site made good progress however installation of services has caused a delay and handover was delayed until December 2022.</p> <p>Kinneddar Meadows – Work started on site in mid-June 2021. Six units were handed over early October, three expected mid-November, three early December and remaining eight in April 2023.</p> <p>Johnshaven – Work commenced in March 2022. Initial six handovers are expected in late October, a further three in November and remaining units are planned for April 2023.</p> <p>Portlethen – Construction started in March 2022. The flats were handed over in December 2022 with the houses expected for late February 2023.</p> <p>Alford – Work on site started in September 2022 with good progress.</p> <p>St Fergus – Construction has started and timber frame kits are on site. Site inspection has started.</p> <p>Bridge of Don – A HAG offer has been received and accepted. Planning approval has not yet been received as further changes to the layout has been requested. A revised HAG application will be made.</p> <p>The Board noted that all potential new build programmes are expected to go ahead.</p> <p>The Board:</p> <p>Noted the contents of the report.</p>	DOF

Minute No	Subject	Action
7.2b	<p>Ballater – land proposition</p> <p><i>CC declared an interest in her role as agent for Invercauld Estate.</i></p> <p>The CEO presented a report outlining the general terms upon which Invercauld Estate would be willing to proceed with a purchase of the access rights over and through the ransom strip held by Osprey at Craigview Road, Ballater.</p> <p>The Board further noted that this may further present as an opportunity to work with a new developer.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Approved the terms outlined in the proposal. 	DOF
7.3	<p>Sprinkler issue / Kirkwood Homes Outcome report</p> <p>The CEO presented a report providing the Board with an update in relation to the recent emergency situation at Osprey’s new build sites in Sauchen and Inchmarlo that were affected during the extremely cold weather in December 2022.</p> <p>The Committee noted that due to the extremely cold temperatures overnight on 13 December, and a reported lack of lagging to the sprinkler system and pipework, part of the valve systems had frozen and subsequently failed, resulting in water leaking from the 1000 litre capacity water tank in the loft space. The degree of damage varied between properties.</p> <p>Due to the number of properties affected this was deemed a major incident and internal incident team set up to manage the situation, led by the CEO. After conferring with the SHR they advised that due to the relatively small number of properties affected this did not constitute a Notifiable Event.</p> <p>In total twenty-two properties across the two sites were affected. A number of tenants were decanted as a result, with four requiring longer term alternative accommodation. All properties now completed and the final tenant is in process of returning to their home.</p> <p>Kirkwood Homes are currently working on a re-design of the system to prevent similar system failures re-occurring. The Board noted that Osprey have approx. 45 – 50 properties fitted with this system which will be a longer term asset management consideration.</p>	CEO

Minute No	Subject	Action				
	<p>Osprey had spent approx. £17K in one off non recoverable payments, mainly for tenant support.</p> <p>Insurance claim was ongoing for the recoverable costs.</p> <p>The Committee:</p> <ul style="list-style-type: none"> • Considered the information contained within the report. 					
8	Strategy/Policy					
8.1	<p>Cost of Living Uplift and Salary Benchmark Review</p> <p>The CEO presented a report advising the Board on the current position in relation to the consideration of any cost of living award for the year 2023/24 and the proposed change to the Pay Spine.</p> <p>The Board noted that at its meeting on 16 January the Remuneration Committee had been asked to consider two options for a cost of living uplift: 6% and 7%.</p> <p>Following an in depth discussion taking into consideration a number of key aspects they recommended a cost of living increase of 7% to be applied to all salary scales from 1 April 2023.</p> <p>The Board noted that recent advertisements of a number of director level posts had highlighted that the Osprey director posts were not in line with sector benchmark. Subsequently, EVH was recruited to undertake an assessment of the Director roles against the EVH job evaluation scheme and in the context of the Osprey salary grading system.</p> <p>Taking all aspects of the roles into consideration EVH reported that they would expect these roles to be paid at/around the following:</p> <table border="1" data-bbox="320 1630 1168 1915"> <tbody> <tr> <td data-bbox="320 1630 759 1776"><i>Director of Finance (with Depute component included)</i></td> <td data-bbox="759 1630 1168 1776"><i>£66,098 - £68,988</i></td> </tr> <tr> <td data-bbox="320 1776 759 1915"><i>Directors of Housing/Assets/ Corporate</i></td> <td data-bbox="759 1776 1168 1915"><i>£58,874 - £61,766</i></td> </tr> </tbody> </table>	<i>Director of Finance (with Depute component included)</i>	<i>£66,098 - £68,988</i>	<i>Directors of Housing/Assets/ Corporate</i>	<i>£58,874 - £61,766</i>	
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	<p>As a result the Remuneration Committee recommended that this should be implemented from 1 March 2023.</p> <p>The Board further noted that the overall pay grading scales had been updated and simplified by removing scales no longer in use.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Approved the recommendation of cost of living award to all staff for 2023/24 of 7% • Approved the Osprey Directors' salaries be increased as proposed • Approved the updated version of the pay scale grades following review. 	CEO
	<i>CC left the meeting.</i>	
8.2	<p>Pension Fund Review</p> <p>The CEO presented a report informing the Board of the progress to implement the proposed changes to the Osprey pension provision arrangements.</p> <p>The Board noted that the Osprey NESPF pension scheme had been closed on 31 December 2022 and all eligible staff had been enrolled into the DC SHAPS pension scheme on 1 January 2023.</p> <p>Following a recommendation from the Board in November 2022 closure of the legacy OHM DB scheme with SHAPS had been explored. This had identified that closure of the DB scheme would trigger a simultaneous closure of the DC scheme. In discussion with David Davison he had advised that there are possibly better DC schemes available and had been asked to investigate further. At time of issuing the report Osprey had not received the termination value however the DOF informed the Board that during the time of today's meeting he had received a termination value from The Pension Trust for the DB scheme of £210K.</p>	CEO/ DCS

Minute No	Subject	Action
	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the report • Approved proceeding with the termination details received to exit TPT to conclude the closure of the legacy OHM DB scheme and the current DC scheme. • Once alternative scheme options received from DD consider which pension provider will provide the best value to staff members in the future with the decision on which scheme to progress delegated to the Chairs Group • Make staff aware of the proposal as soon as possible with the intention of a 1 June implementation. 	
8.3	<p>Osprey Initiatives – Future of Subsidiary</p> <p>The CEO presented a report providing the Board with an appraisal of the options for the future of the subsidiary within the Group structure.</p> <p>The Board noted that following the sale of the MMR properties to Hillcrest the future of the OI remit of the non charitable activities needed to be considered in both the short and medium term context of the wider OH Group.</p> <p>With no current activities under the OI business function, the SLT have carried out an initial SWOT analysis of the two key options on the future of the subsidiary:</p> <ul style="list-style-type: none"> • Option 1 – retain the subsidiary and the Group Structure • Option 2 – close the subsidiary and streamline structure into one organisation <p>The Board noted that the closure of the subsidiary now would not prevent the opening of another in the future if required. The SHR confirmed if there was a reasonable time gap between the closing and need to reopen a future subsidiary if there was a beneficial reason for doing so, this would not be viewed negatively.</p> <p>The OI Board had reviewed both options at their meeting on 15 February and had made a recommendation of the preferred option 2 we considered by the OH Board.</p>	CEO

Minute No	Subject	Action
	<p>The Board:</p> <ul style="list-style-type: none"> • Noted the contents of the report and considered the two key options for the future • • Approved the recommendation from Osprey Initiatives Board to collapse the subsidiary within the Group structure. This was proposed by LA and seconded by DB. 	
9	Governance	
9.1	<p>Strategic Risk Register Review</p> <p>The CEO presented a report providing the Board with the opportunity to update the Osprey Risk Register. A number of changes had been reviewed by the Committees and recommended for approval by the Board.</p> <ul style="list-style-type: none"> • Strategic Risks <ul style="list-style-type: none"> ○ SR01 to SR05 – Comments sections updated • Financial Viability <ul style="list-style-type: none"> ○ FV1 to FV5, FV7 to FV8 – Comments sections updated • Asset Management <ul style="list-style-type: none"> ○ AM1, AM3 – Comments sections updated • Housing Management <ul style="list-style-type: none"> ○ HM1, HM3 – Comments sections updated • Corporate and Governance Failure <ul style="list-style-type: none"> ○ C1, C4, C5, C& – Comments sections updated • Leasing Services <ul style="list-style-type: none"> ○ Proposal that all now no longer required following completion of MMR stock sale - propose this risk category relating to mid market rent is fully removed <p>The Committee:</p> <ul style="list-style-type: none"> • Noted the contents of the report • Reviewed and agreed all other proposed changes to the Risk Register 	CEO

Minute No	Subject	Action
9.2	<p>Ideas Sub Group – Update</p> <p>The CSO advised the Board of the business discussed at the most recent meeting of the Ideas Subgroup.</p> <p>The Committee</p> <ul style="list-style-type: none"> • Noted the position • Noted that 'Branding and PR opportunities' is the topic for the next meeting 	CSO
	Items for Assurance/Challenge	
10	Performance	
10.1	<p>Performance Result (Quarter 3 2022/23) – OH</p> <p>In addition to the regular KPI report, the CEO presented a report providing the Board with assurance on the current KPI performance relating to Housing Management</p> <p>Income Management: A new suite of reports are currently being worked on as part of the Homemaster implementation. Rent payments remain consistent with the exception of the usual dip in December. The impact of the cost of living crisis is clear making the role of the TSO even more valuable. Osprey has been awarded £85,784 from the Scottish Housing Fund which will be distributed to tenants who have been impacted financially due to increased energy costs.</p> <p>Housing Management: Staff is getting to grips with Homemaster and a number of enhancements have been requested to allow the software to better suit Osprey's processes and procedures. There have been a higher than normal number of ASB cases with two tenants currently having notices served against them.</p> <p>Void and Allocations: Average void times have reduced slightly during the past quarter but still remain above our internal KPI target. The key reasons remain consistently linked to:</p> <ul style="list-style-type: none"> ○ A number of properties are being upgraded at void and this is also impacting on performance. ○ Sourcing of materials and supply chain issues ○ Issues linked to utility suppliers causing delays in power supplies ○ Longer letting times for 2 bed properties in particular 	CEO

Minute No	Subject	Action
	<p>All other KPIs were in line with expectations.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Noted the results for Q3. 	
10.2	<p>Financial Performance (Quarter 3 2022/23) – OH</p> <p>The DOF presented a report detailing the financial outcomes for OH for the quarter ended 31 December 2022.</p> <p>The results for the period to 31 December 2022 are excellent with a number of budget heads exceeding expectations.</p> <p>Rental income is broadly in line with budget.</p> <p>Other income includes provision for OIL intercompany charges, Office lease income and wider action grant funding.</p> <p>Grant release has been re-calculated following the late accounting adjustment made in the prior year in relation to business combination (TOE).</p> <p>It should be noted that the prior year accrued insurance claim income of £50k remains outstanding and its non payment has been included in the year end forecast.</p> <p>Expenditure remains a positive picture with several budget heads exceeding expectations.</p> <p>Area's worthy of consideration</p> <ul style="list-style-type: none"> • Reactive maintenance costs are £86k above budget, continuing the trend set in quarter's one and two. Investigations show that the number of repairs is in line with predictions and figures supplied by the DAS indicate that the actual costs for this year are in line with budgets. However, the move to Homemaster triggered a major catch up in billing from our suppliers/contractors which has been far in excess of the year end accruals. This area is still being closely monitored by the DAS. • Void maintenance costs are £69k over budget and have been similarly impacted. However, we have had some extraordinarily high void property costs, particularly in the trickle transfer category. 	CEO

Minute No	Subject	Action
	<ul style="list-style-type: none"> • IT Costs continue to exceed budget due to the acceleration of our digital strategy, the extensive roll out of Office 365 and increased cyber security costs. • Bad Debt provision is lower than expected reflecting the ongoing excellent performance in arrears management. • The sale of our MMR Units was completed on 1 February 2023 generating a capital receipt of £8M. • Loan interest is ahead of budget due to dramatically escalating interest rate rises. However, following the sale of our MMR stock on 1 February 2022, £10M of RCF loan debt has been repaid. This will help offset the overspend in the final quarter. • Inflation is currently 10.1% and is likely to remain highly elevated for the next 6 – 12 months. • Capital expenditure on component has accelerated during the quarter with further extensive spend expected in the final quarter of the year. <p>There are currently four developments on site and they are in line with cost expectations. A detailed analysis of all projects is provided under agenda item 9.1.</p> <p>There remains £13.5M (£23.5M as at today's date) available from the Revolving Credit Facility to fund further development activities.</p> <p>The balance sheet continues to strengthen with net reserves of £31M and cash balances exceeding £6.9M.</p> <p>The quarter end results are covenant compliant.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Considered, discussed and noted the contents of the report. 	

Minute No	Subject	Action
10.3	<p>Financial Performance (Quarter 3 2022/23) – OIL</p> <p>The DOF presented a report detailing the financial outcomes for OIL for the quarter ended 31 December 2022.</p> <p>The results for the period to 31 December 2022 are satisfactory.</p> <p>The major item to report is that following the decision of the OH Board to end its involvement in the Private Rental Sector (PRS), the sale of the MMR units to Hillcrest HA completed on 1 February 2023.</p> <p>Therefore, there will be no further rental income or lease payments due from this date.</p> <p>The results for the period to 31 December show an improvement on the previous quarter.</p> <p>Rental income and void loss have been excellent and are ahead of budget.</p> <p>Expenditure across most budget heads is ahead of/in line with expectations.</p> <p>Rent arrears have increased during the quarter resulting in a reciprocal increase in Bad Debt Provision. However, the full year forecast includes provision for the write off of all outstanding rent arrears at 31 January 2023.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Considered and discussed the contents of the report. 	DOF
11	Strategy/Policy	
11.1	<p>Communication Strategy Review</p> <p>The CEO presented a report informing the Board on the progress being made to review and update the Communications Strategy.</p> <p>The Board reviewed the new Document Review Register created with a view to streamline and simplify the approach to policy review. In addition the Board considered the revised Communications Strategy.</p>	

Minute No	Subject	Action
11.1	<p>The Board requested that a consistent approach should be taken when referring to the organisation in written documentation. Considering the decision to collapse the OIL subsidiary the Board recommended that 'Osprey' should be used going forward.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Noted the report • Approved the updated Communications Strategy 	CEO
12	Governance	
12.1	<p>Health & Safety Update</p> <p>The DCS presented a report providing the Committee with a full overview of current Health and Safety arrangements and particularly in relation to the following topics.</p> <ul style="list-style-type: none"> • Meetings of the H&S Committee • The progress to complete the outcomes of the HSLM and HSCM audits • Updates to the HS Control Manual • Walkathon • Peoplesafe SOS devices <p>The Board:</p> <ul style="list-style-type: none"> • Noted the contents of the report 	DCS
12.2	<p>Cyber Security</p> <p>The DCS informed the Committee on the progress being made to address cyber security risks and mitigate accordingly. The Committee reviewed the ongoing action undertaken to bolster Osprey's ability to deal with cyber security matters including:</p> <ul style="list-style-type: none"> • Cyber Essentials Plus Accreditation including a pre-submission audit check by external provider • Server health checks <p>The Board:</p> <ul style="list-style-type: none"> • Noted and discussed the contents of the report 	DCS
	<i>LA left the meeting.</i>	

Minute No	Subject	Action
12.3	Conference/Training Events Feedback – SFHA Finance Conference November 2022 No items discussed.	CEO
12.4	Board Bus Tour The CEO reminded the Board that Bus Tour had been arranged for Wednesday 5 April where a number of sites in Moray will be visited. The agenda for the day will be circulated and it was noted that to maximise the day we would need to stick to the timings arranged. The Board: <ul style="list-style-type: none"> • Noted the position 	
13	AOCB None	
14	Items Previously Circulated to Members for assurance:	
14	Date of next meeting Wednesday 24 May 2023 at 10:00 – Hybrid: In Office / Zoom	

The meeting closed at 13:10

Signed: Mike Scott

Date: 24 May 2023