

**Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Wednesday 30 June 2021 at 12.30pm**

**Present:** J Knowles, Chair  
J Fraser  
A Habib  
I Jamieson  
M Keith

**In Attendance:** H Gauld, Chief Executive  
M Ballance, Director of Asset Management  
L Macfarlan, Director of Finance and Corporate Services  
J Sutherland, Director of Housing  
A Bruce, PA to the Chief Executive (Minutes)

**Apologies:** J Greener  
J Drummond  
J Marshall  
M Martin  
A Stevenson  
G Urquhart

**1. Apologies**

The apologies noted above were intimated to the meeting.

**2. Declaration(s) of Interest**

There were no notes or declarations of interest.

**3. Draft Minute – Board of Management – 26 May 2021**

The Board approved the Minute as an accurate record.

**4. Matters Arising**

There were no matters arising.

**5. Statement of Outstanding Business**

The Board noted the Statement. All of the items were either on the agenda or had target dates for future meetings. The following was noted:

- Item 5 – A meeting of the Resource Committee would be convened at the end of July.
- Item 8 – Board Portal Training – This had been delayed due to workload and would be progressed as soon as practical.

**6. Financial Reports to 31 May 2021**

The Board considered and noted the report which detailed financial information for the first two months of financial year 2021-2022. [REDACTED]

[REDACTED]

The following was noted:

[REDACTED]

Discussion ensued on the level of rent arrears detailed in this report and that contained in a report, later on the agenda, which appeared to differ. The Director of Housing reported the arrears levels had decreased since the start of the year and although challenging the Rent Management Team is managing arrears well.

The Board noted the financial statements presented.

## **7. Annual Treasury Report 2020-2021**

The Board considered the report which detailed the treasury arrangements, activities and performance for the financial year and provided a comprehensive account of the use of resources and assurance of the Association's compliance with its Treasury Management Policy.

The Director of Finance and Corporate Services highlighted the two main impacts on the Association's financial position had been the pandemic which had resulted in higher than anticipated levels of cash and [REDACTED]

The Director was pleased to report there was nothing of significance that needed to be brought to the Board's attention other than the issue of negative interest. This may or may not materialise but had been highlighted, by the Association's treasury advisors,

as possibly having a significant impact on housing associations. This will be closely monitored.

The report provided information on loans, interest rates and financial and covenant compliance as well as information on the Association's transition from LIBOR to SONIA. The transition had taken place for Lloyds but as yet Santander had not engaged with the Association in this regard. The Director of Finance and Corporate Services meets regularly with the Association's Relationship Manager and as the deadline for transition is the end of the calendar year 2021, the matter would be raised with them at the next meeting.

The Board, assured the Association is operating in accordance with good treasury management practice, noted the report.

#### **8. Write Off**

The Board, having noted the covering report and the write off attached as Appendix 1, approved the write off of former tenant debt to the value of [REDACTED]

#### **9. Progress Report and Draft Accounts to 31 March 2021**

The Board considered the draft Accounts to 31 March 2021 which had been prepared by the Association and would be audited by RSM UK LLP. Speaking to the report, the Director of Finance informed members the audit had commenced on 28 June and was progressing well. The Board was further informed the financial reports presented on 28 April 2021 had been presented with the caveat year-end work may change the financial position. [REDACTED]

The Board was reminded of questions raised previously regarding going concern and with regard to planned maintenance spend being a matter of materiality. It had been suggested both be discussed with the auditor again. The response to both questions had been issued via the secure message function in the Board Portal confirming the auditor had advised it would not carry out any more testing on planned maintenance than would be normal practice.

The Board approved the draft accounts as presented and noted the final accounts would be presented for approval on 25 August 2021.

#### **10. Loan Portfolio Annual Return 2020-2021**

The Board considered the covering report and Loan Portfolio Annual Return 2020-2021 which reported on the Association's loans, covenants and interest and would be submitted to the Scottish Housing Regulator (SHR) by 31 August 2021.

Following submission of the "in year" return during the financial year to 31 March 2021 a number of minor changes had been made to the return which were detailed on Page 2 of the covering report. [REDACTED]

[REDACTED]

The Board approved the return as presented and further approved its onward submission to the SHR as soon as practical but before the 31 August 2021 deadline.

#### **11. Annual Procurement Report**

The Director of Finance and Corporate Services reported verbally on this item. The Board was reminded the Annual Procurement Strategy had been approved by the Joint Audit and Governance Committee on 23 March 2021. In line with Scottish Government guidelines the Association must submit an annual procurement report for regulated spend over £5m as soon as practical following year end but no later than 31 July. The Association, with spend of £7m in financial year 2020 – 2021 will require to submit a report but as yet this is incomplete. It would however be submitted before the 31 July deadline.

It was agreed Item 12 – Staffing Structure Review would be dealt with at the end of the agenda when the Directors would be asked to leave the meeting.

#### **13. Langstane Property Limited Current Position and Relationship with Langstane Housing Association Limited**

The Board considered the report which set out the current position and relationship between Langstane Property Limited (LPL) and Langstane Housing Association (LHA). Attached as an appendix, was the revised Independence Agreement between the two organisations which now included clauses allowing a loan to be initiated and a small number of other minor changes. The revision to the Agreement had been made following discussions at the LPL Board on 28 April 2021 and having taken legal advice from BTO, the Association’s solicitors. Although there is no current intention to initiate a loan, the solicitors felt it prudent to include it in the Agreement.

Having noted LPL’s financial position will be closely monitored and a report presented to both Boards of Management as part of a mid year review in October, the Board approved the revised Independence Agreement which had been approved, in principle, by the LPL Board of Management earlier in the day. The Agreement would be issued to the relevant Office Bearers of both organisations to sign.

#### **14. Chief Executive’s Update Report**

Referring members to the question raised regarding rent arrears under Item 8, the Director of Housing reported the information within this report related to current tenant arrears whereas the table in the Write Off report related to former and current tenant arrears.

The Board considered and noted the Chief Executive’s Update report. The Chief Executive spoke to each of the items and following brief discussion on the SFHA’s recently formed strategic partnership with Changeworks and Warmworks the Board considered the information in respect of the insurance renewals process which had been completed, under delegated authority, by the SMT. [REDACTED]

[REDACTED]

## 15. Corporate Document Review Report

The Board noted the report which detailed the changes to the documents presented under Items 15.1 and 15.2.

### 15.1 ICT Strategy 2021-2023

The Board considered the strategy which had been re-written to reflect the up to date position of the IT Road Map.

[REDACTED]

The Board, having noted regular updates on the progress of the Road Map would be provided and the Strategy further updated following the migration to the Cloud, approved the document as presented.

### 15.2 IT Disaster Recovery Plan V3

The Plan had been made available to members in the Board Portal and had been considered and noted by them. Having noted the minor changes related to changes to supplier and contractor details, the Board approved the document presented aware that it would be further updated once the migration to the Cloud is complete.

## 16. Annual Assurance Statement

The Board considered the covering report and ten appendices (Appendices 1 – 9 had been made available to members in the Board portal and had been considered and noted by them). Appendix 10, the Annual Assurance Statement which would be signed by the Chair, on behalf of the Association and submitted to the SHR had been presented with the report.

The Chief Executive in speaking to the report informed members the comprehensive assurance documentation had been reviewed and approved by the Joint Audit and Governance Committee on 1 June 2021.

Following the release of this meeting's papers to the portal, both the SHR and the SFHA had issued updated guidance on self assessment. The impact being the Association needs to include additional statements in respect of Covid-19 and equalities data collection. Appendix 2 included the updated equalities information required however the Board was asked to approve the Annual Assurance Statement attached as Appendix 10 with the addition of the following paragraph:

*“With regards to the Association’s position on equalities and human rights, the Association collates a range of equalities information. This is an area of our business that is developed and strengthened whenever possible. In keeping with this, although already an inclusive organisation, a more formal human rights approach will be taken. This will ensure tenants and other customers continue to be at the centre of policies and working practices and will be based on the principles of participation, accountability, non discrimination, empowerment and legality (PANEL)”.*

The Chair acknowledged the considerable amount of work which had gone into providing the information to evidence the Association meets the SHR’s regulatory standards and requirements. Having considered the report and Appendices 1 - 9, the Board approved the Annual Assurance Statement attached as Appendix 10 with the additional paragraph and authorised the Chair, on behalf of the Association and its subsidiary companies, to sign the Statement which would be submitted to the SHR by the Chief Executive using the official notification process as soon as practical but no later than the deadline of 31 October 2021.

**17. Strategic Risk Register, Quarter 4, 2021-2022**

The Board considered and noted the covering report which set out the main findings of the Strategic Risk Register for the Langstane Group at the end of Quarter 4, 2020-2021. The Register of most significant risks had been made available to view in the Board Portal and had been considered and noted by members.

[REDACTED]

[REDACTED]

**18. Governing Body Skills Matrix**

The Chief Executive reported verbally on this item reporting the skills information provided by members had been collated into table format and would inform the Board training and development plan which would be presented to the next Resource Committee meeting. Based on the scores, there are no immediate training requirements. Training on specialist skills i.e. social housing, asset management and development had been identified and training will be arranged.

**20. Board Away Day**

The Chief Executive reported verbally on this item with the suggestion a topic for the away day include consideration as to whether the Association should once again return to development. This will require detailed knowledge of the risks, funding availability and options and it would be prudent to enlist the services of a specialist in this area. Board members were asked to provide any comment suggestions for speakers and additional topics to the Chief Executive. After brief discussion which included whether the away day would be held virtually, it was agreed arrangements would be left to the Chief Executive and a proposal brought back to the next meeting.

## **19. Annual Strategy Update**

The Board considered and noted the report which detailed the strategies reviewed during 2020-2021. The Tenancy Sustainment Strategy Action Plan and information on the breakdown of funding for tenancy sustainment as well as the Tenant Participation Strategy had been available to members in the Board Portal and had been considered and noted by them.

2021-2022 would see a review of the Communications and Asset Management Strategies.

## **21. Draft Minute – Resource Committee – 25 May 2021**

The Board considered and noted the draft Minute which had been available to view in the Board Portal.

## **22. Draft Minute – Joint Audit and Governance Committee – 1 June 2021**

The Board considered and noted the draft Minute which had been available to view in the Board Portal.

## **23. Social Value Report**

The Director of Housing spoke to the report which provided information on the Association's sign up to the SFHA's pledge to support the Housing Impact Manifesto. The pledge would commit the Association to measuring, understanding and growing its social and economic impact in order to make a difference and deliver a social purpose.

The report also provided information on the pilot project being undertaken in relation to tenants moving from temporary housing and their journey to being settled and sustaining their tenancy. Having received funding from the Scottish Government to deliver support to homeless people moving into a tenancy it was felt this was an ideal area to pilot. If successful, further projects will be undertaken; being able to demonstrate benefits in this way may also assist in any application for funding from other sources.

Having considered the report, the Board noted the detail of the pilot project and further noted the Association had signed up to the social value pledge. A report on the outcome of the pilot project would be presented to the Board at a future meeting.

## **24. Tenant Profiling Exercise**

The Director of Housing spoke to the report on the outcome of the recent tenant profiling exercise. The response had been disappointing with only 497 of the 2,355 questionnaires issued being returned. Despite the Association contacting its most vulnerable tenants by phone to stimulate interest, a great many had not engaged. There had however been a small amount of feedback from tenants who had not previously responded to questionnaires.

Where tenants had raised any issues or asked for assistance in either the telephone contact or through the questionnaire, these had been addressed.

The Board noted the report.

**25. Draft Minute – Emergency Committee – 21 June 2021**

The Board considered the draft Minute and following a summary of the discussions by the Director of Asset Management, members of the Emergency Committee present approved the Minute as an accurate record.

**26. AOCB**

There were no matters raised under this heading.

**27. Date of Next Meeting**

25 August 2021

*M Ballance, L Macfarlan and J Sutherland left the meeting.*

**12. Staffing Structure Review**

The Board considered the three reports presented under Items 12.1, 12.2 and 12.3, namely the Management Structure, the Communication and Consultation Plan and Costings.

The Chief Executive highlighted the proposed changes to the structure which would be carried out in a two phased approach over a 24-month period. Phase 1 being to ensure a robust Director / Manager / Team Leader structure and Phase 2 the implementation of changes at Senior Officer level and below.

[REDACTED]

[REDACTED]

The Board, assured the necessary professional and legal advice had been sought, approved the Costings Report [REDACTED]