

Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Wednesday 25 August 2021 at 12.30pm

Present: J Knowles, Chair
J Fraser
J Greener
J Drummond
A Habib
I Jamieson
M Keith
J Marshall
M Martin
A Stevenson

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
K Adams, RSM UK LLP
A Bruce, PA to the Chief Executive (Minutes)

It was agreed Item 9 would be the first order of business.

9. Audit Findings Report - Year Ended 31 March 2021 – The Langstane Group

The Chair welcomed K Adams, RSM UK, to speak to the report. In doing so K Adams highlighted the auditor had issued a clear and unmodified audit opinion on the financial statements of both Langstane Housing Association Limited (LHA) and Langstane Property Limited (LPL).

K Adams highlighted the audit checks carried out confirmed there were no matters of significance to be brought to the Board's attention. In particular the audit of the budget and cash flow forecasts, the assumptions underpinning the budget and the forecasts, the stress testing of the budget and the 5 and 30-year financial plans confirmed the management's assumption of going concern was appropriate.



The Board noted the report.

1. Apologies

There were no apologies.

2. Declaration(s) of Interest

There were no notes or declarations of interest.

3. Draft Minute – Board of Management – 30 June 2021

The Board approved the minute as an accurate record.

4. Matters Arising

There were no matters raised not already on the agenda.

5. Statement of Outstanding Business

The Board considered and noted the Statement.

In respect to Item 1 – Member’s approval was sought and given for arrangements to be made for a small event, to include the Senior Management Team, Chair and Vice Chair only, to commemorate K Hutchen’s service to the Association.

J Greener joined the meeting.

6. Financial Reports to 31 July 2021

Board considered and noted the financial reports. The Director of Finance and Corporate Services highlighted the key points detailed in the commentary.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. Write Off Report

Board considered the covering report and accompanying appendices, namely Appendix 1 – Write Off and Appendix 2 – Sequestrations.

Noting the detailed explanation provided by the Director of Housing on the two high value write offs i.e. rent account [REDACTED], the Board approved the write off of former tenant arrears in the sum [REDACTED].

The Board noted the sequestrations detailed in Appendix 2.

8. Annual Report and Financial Statements - Year Ended 31 March 2021

8.1 Langstane Housing Association Limited

Board, having considered the annual report and financial statements and the audit findings report, approved the document as presented. The statements would be signed by the Chair, Vice Chair and Company Secretary, on behalf of the Board and submitted to the relevant regulatory bodies.

8.2 Langstane Property Limited

The Board, having considered the annual report and financial statements and the audit findings report (Item 9), approved the document as presented. The statements would be signed by the Chair on behalf of the Board of Management of LPL and submitted to the relevant regulatory bodies.

10. Letter of Representation – Year Ended 31 March 2021

The Director of Finance and Corporate Services informed members the letters presented were standard letters of representation.

10.1 Langstane Housing Association Limited

Having considered the terms of the letter, Board approved it as presented and authorised the Letter of Representation to be signed, on behalf of the Board of Management, by the Chair and sent to RSM UK LLP.

10.2 Langstane Property Limited

Having considered the terms of the letter, Board approved it as presented and authorised it be signed, on behalf of the Board of Management, by the Chair and sent to RSM UK LLP.

11. Letter of Confirmation – Year Ended 31 March 2021 - Services provided by Langstane Housing Association Limited to Langstane Property Limited

The Board considered the letter which confirmed the cost of services provided by LHA to LPL and the gift aid donation made by LPL to LHA. Having considered its terms, the Board approved the letter and further approved it be signed, on behalf of the LHA Board, by the Chair, a Board Member and Company Secretary.

12. Gift Aid from Langstane Property Limited to Langstane Housing Association Limited

The Director of Finance and Corporate Services informed the Board that as LPL had reported a deficit in financial year, 2020-21, there would be no gift aid donation made to the parent LHA.

13.

[REDACTED]

[REDACTED]

[REDACTED]

14. Chief Executive's Update

Board considered the report. Speaking to it, the Chief Executive provided a summary of each of the items noting in particular those which required approval as follows:

14.5 Scottish Government's Afghanistan Initiative

The Board considered the proposal to allocate properties to three Afghan families. [REDACTED]

[REDACTED]

Following a brief discussion on the suitability of the properties and [REDACTED] the Board approved the proposal.

14.7 Component Accounting

The Board noted the proposed changes in accounting estimation for replacement boilers and heating systems from 1 April 2021.

Noting the proposal had been approved in principle by the Joint Audit and Governance Committee on 10 August 2021, the proposal would more accurately reflect the age and value of the components in each property and there would be no impact on cash flow, the Board approved the proposal.

¹ [REDACTED]

14.9 Santander – Transition from LIBOR to SONIA

The Board was reminded it had approved the transition from LIBOR to SONIA in relation to Lloyds. Board approval was now being sought to complete the transition for Santander. Having considered the report, the Board approved the changes proposed and the signing of the transition agreement.

15. Corporate Document Review Report

The Board considered and noted the report which provided the background to the changes made to the policies listed under Items 15.1 – 15.3. The Director of Housing speaking to the report informed Members the policies formed part of a suite of new policies required to comply with requirements of the Langstane Housing Support Team's registration with the Care Inspectorate.

Having considered the report, the Board approved Items 15.1 - Child Protection Policy V1, 15.2 - Langstane Housing Support Service Complaints Policy V1 and 15.3 - Supporting and Protecting Adults from Abuse and Harm V1 as presented. It was noted that staff training would be carried out in due course.

15.4 Governance Manual

The Chief Executive reported the manual had, following the Board's request for a more concise version, been revised but it remained lengthy. However, it is the SFHA's intention to issue a model governance manual. The Chief Executive had contacted them to ascertain the timescale for publication and awaits a response. If this is likely to be some time, the Association's revised manual would be brought back to the next meeting.

The Board noted the verbal update.

16. Governance Structure Review

The Board considered the report and accompanying four appendices, namely the remits of the Board of Management - Appendix 1, the Joint Audit and Governance Committee - Appendix 2, the Remuneration Committee - Appendix 3 and the Performance Committee - Appendix 4. The new Committees would have authority to make decisions without the need to refer items for final Board approval. The Chief Executive reported that on reflection, approval of write offs should be delegated to the Performance Committee. If the Board approved the proposal, a revised meeting schedule would be implemented following the Annual General Meeting (AGM) and the Scheme of Delegation amended to reflect the new governance structure. In respect of the latter, the Chief Executive sought, and was given approval, to update the Scheme of Delegation without the need for it to be brought back to the Board for approval.

Arising from consideration of the report, it was highlighted there was no reference to a Treasurer in the report. In this regard the Chief Executive reported the Association is one of a limited number of housing associations which still has a Treasurer position. With the external auditors now presenting the annual report and financial statements the role was no longer relevant.

Lengthy discussion ensued on membership of the sub-committees and in particular on the titles of the remuneration and performance committees with agreement the Chief Executive and A Stevenson would, following members input, discuss the titles of the committees and make a decision thereafter.

The Board having considered the report approved:

- The revised governance structure;
- The updated Remits attached as Appendices 1-4;
- The changes taking place following the AGM on 22 September 2021;
- Changes to the Scheme of Delegation would be made but not be represented to the Board for approval; and
- Further discussion and agreement be made by the Chief Executive and A Stevenson on the titles of the currently named Remuneration and Performance Committees.

17. Board Away Day

The Chief Executive reported verbally on this item advising the Board that obtaining a speaker for the event was proving challenging. It would be her suggestion that in order to improve the chances a more flexible approach be taken to the date and timing of sessions. The Board agreed to the proposal the event could, if required, be held in two sessions on separate days if necessary. A full report on the away day would be provided to the Board's next meeting.

18. Quarter 1, 2021-2022 Reports

18.1 Business Plan 2020 – 2025, Internal Management Plan

The Board considered and noted the updates to the Internal Management Plan which were highlighted in red.

18.2 Performance Report - Langstane Housing Association

The Board had considered the Quarter 1, 2021-2022 performance report which had been available to members to view in the Board Portal. Also considered and noted were Items 18.2.1 - Complaints Analysis, 18.2.2 - Compliments Register and 18.2.3 - Customer Engagement Activity.

Going forward the Performance Committee would review performance reports in detail as part of its remit.

18.3 Performance Report - Langstane Property Limited

The Board had considered and noted the Quarter 1 performance report which had been available to members to view in the Board Portal.

18.4 Signings Report

The Board had considered and noted the Quarter 1, report which had been available to members to view in the Board Portal.

18.5 Tender Report

The Board had considered and noted the Quarter 1, report which had been available to members to view in the Board Portal.

It was agreed that consideration would be given to including the tender value in future reports.

19. Strategic Risk Register, Quarter 1, 2021-2022

The Board considered and noted the covering report and Appendix 1 – The Association’s Most Significant Risks which remained unchanged from Quarter 4, 2020-2021.

20. Covid-19 Report, Quarter 1, 2021-2022

The Board considered and noted the report.

It was agreed Item 21 - AGM Report would be taken at the end of the meeting. Under Association Rules, the Board must be assured that any Committee Member who has continuous service of nine years or more and who is seeking re-election is able to demonstrate his / her continued effectiveness as a Member before he / she may stand for re-election. J Fraser had now served on the Board for 9 years would be asked to leave the meeting for the discussion of this item.

22. Draft Minute – Resource Committee – 12 August 2021

Due to timing and workload this minute was not available to present.

23. Draft Minute – Joint Audit and Governance Committee – 10 August 2021

Due to timing and workload this minute was not available to present.

24. Housing to 2040

The Board considered and noted the report which detailed the salient points of the Scottish Government’s paper Housing to 2040. The paper set out the Scottish Government’s vision for all housing in Scotland to 2040 and a route map to achieve the aim to deliver its ambition for everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be. Board noted the changes already made to Housing to 2040 via the Bute House Agreement (agreement between the Scottish National Party and the Green Party).

The Chief Executive speaking to the report informed members the impact of Housing to 2040 for the Langstane Group may be considerable with some of the main areas being decarbonised heat, a review of the energy performance certificate methodology, funding for the additional measures that may need to be added to existing homes, meeting the desired space standards and the impact on the Langstane Group future plans if rents are frozen / capped. However until the many documents referenced within the report are finalised the financial impact cannot be fully analysed.

The Board having considered the report and noted a number of items would impact on the Asset Management Strategy, due for review in September, approved delaying review of the Strategy for at least 1½ years.

25. Local Lettings Initiative

The Board considered the report which set out the proposal to extend the current Lettings Initiative, approved by the Board in 2018, to include north Aberdeenshire.

Having considered its terms the Board approved the variation to the current Lettings Initiative to include north Aberdeenshire subject to consultation with tenants and the Association’s strategic partners i.e. the local authorities.

26. Entitlements, Payments and Benefits Request

The Board considered the report which informed members the preferred candidate for the post was related to a ‘relevant person’. As such Board approval is required to appoint them.

Noting the ‘relevant person’ had no involvement in the recruitment process and no benefit was given due to their connection to the Association, the Board approved the request.

27. AOCB

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

² The report had been uploaded to the Board Portal immediately before the meeting.

[REDACTED]

[REDACTED]

28. Date of Next Meeting

22 September 2021

J Fraser left the meeting.

21. AGM Report

The Director of Finance and Corporate Services provided the Board with a verbal report on the changes to Board membership at the Annual General Meeting. The meeting would take place on 22 September and would include a presentation on Social Media – Challenges and Opportunities from Professor Sarah Pedersen of Robert Gordon University.

The Board noted the membership changes as follows:

- J Marshall had intimated he would be standing down.
- J Fraser had served on the Board for nine continuous years. Under Rule 37.6, the Board unanimously agreed that he had demonstrated continued effectiveness as a Board member and could therefore seek re-election.
- Under Rule 39.1, one-third of the Board members must retire at each AGM. This year, this would include J Greener, J Knowles, M Martin and A Stevenson.
- Co-opted members A Habib, M Keith and G Urquhart can be re-elected without being nominated.

The Chair on behalf of the Board conveyed thanks to J Marshall for the significant contribution he had made to the work done over the last few years to get the Association to its current position. Formal recognition of his service would be made in due course.

To ensure the AGM is quorate, those members unable to attend were asked to submit proxy votes.