

This Minute has been edited to remove commercially sensitive or confidential discussions.

Minute of Langstane Housing Association's hybrid Board of Management Meeting held at 680 King Street, Aberdeen, AB24 1SL on 22 August 2024 at 12.30pm

Meeting start time	12:51pm	Meeting end time	1.35pm
Present	Members - in person	Members - remote attendance	
	M Martin, chair	J Fraser	
	J Knowles, vice chair	J Drummond	
	A Stevenson	T Dinozzi	
In Attendance	In Person	Remote Attendance	
	H Gauld, chief executive		
	M Ballance, director of property		
	M Macarthur, director of finance and corporate services		
	J Sutherland, director of housing		
	K Butler, board applicant		
	J Gillies, board applicant		
	H Lawson, team leader - executive office (minute taker)		
Apologies	D Bain		
	I Jamieson		
	G Urquhart		
Not present / No apologies	A Habib		

1. Introduction

1.1 Board discussions (in-camera)

1.2 Chief executive statement

The chief executive confirmed there was nothing on the meeting's agenda that knowingly contravenes the rules, regulations and regulatory requirements of the Association.

1.3 Apologies / absence

The apologies noted above were intimated to the board.

1.4 Declaration(s) of interest

There were no declarations of interest.

1.5 Draft minute – board of management – 13 June 2024

Decision: The minute of the previous meeting was approved as an accurate record.

1.6 Matters arising

There were no matters arising.

2. Discussion / decision making

2.1 Annual assurance statement

The Association must produce annual statements as mandated by the Scottish Housing Regulator (SHR), ensuring the board is assured of effective management practices. The reporting process has been refined to concentrate on two or three key reports, which are reviewed by the joint audit and governance committee prior to recommendations being submitted to the board. The chief executive noted an ongoing concern regarding the absences of one board member, which will be addressed at the forthcoming annual general meeting (AGM).

Action: The second paragraph on page 2 of appendix 9 ends abruptly. The chief executive will update appendix 9.

Decision: The board of management approved signature of the statement by the chairperson, and submission of the annual assurance statement to the Scottish Housing Regulator alongside an unsigned copy by the chief executive.

2.2 Audit findings report year ended 31 March 2024 – The Langstane Group

The chair invited the joint audit and governance committee chair to present the report reviewed on 13 August 2024.

J Drummond confirmed the presence of unadjusted differences identified by the auditor, primarily related to the accrual process for maintenance expenditures. Specifically, orders for maintenance activities often remain unfulfilled by the end of the fiscal year, resulting in an over accrual of expenses. This reflects a timing issue, as these costs should be recorded in the year they are incurred, which in this case would be the subsequent year.

The auditor quantified the impact of these differences, which remained below the audit materiality threshold, and therefore did not necessitate adjustments to this year's financial statements. Consequently, while there are noted differences, they do not require correction as they fall below the materiality level.

It was J Drummond's opinion that overall, the audit reflects a sound control environment, particularly in light of improvements compared to the previous year's audit, which faced challenges due to a leadership transition and tighter timelines. This year's audit process was notably smoother.

The chairperson expressed gratitude to the director of finance and corporate services and her team for their collaboration with RSM, noting that the extensive work completed on the assets has been reassuring.

In response to inquiries from J Drummond and T Dinozzi, the director confirmed that RSM will continue for another year before the contract goes out for re-tender. While RSM is eligible to re-tender, the opportunity will also be extended to other firms.

Decision: The board of management noted the draft audit findings report year Ended 31 March 2024 – The Langstane Group

2.3 LHA draft annual report and financial statements - year ended 31 March 2024

The financial statements were generally consistent with the management accounts reviewed by all parties. There was a discrepancy in the net surplus due to unposted pension interest and items on the ballot sheet. However, no postings were recommended by RSM.

The chair invited the chair of the joint audit and governance committee, J Drummond, to discuss the report reviewed on 13 August 2024.

J Drummond addressed the front end information in the financial statements. He noted the substantial amount of narrative, facts and figures presented, expressing some nervousness regarding the volume of information and the processes in place to ensure accuracy. However, RSM, confirmed they review this information in detail and obtain supplementary documentation to verify its accuracy.

The director of finance and corporate services confirmed that the document had been revised to eliminate excessive front-end details that were being audited and charged for. Although significant content was removed, it was noted that some material had to be reinstated following feedback.

The director drew attention to minor changes made to the report since the last version, including a typo on page 21 and an incorrect line for the £15 million overdraft. Additionally there is now the inclusion of a policy on dilapidations, which should have been established earlier.

Action: The director of finance and corporate services will verify that all minor errors, including typographical and formatting issues, are corrected before signing the documents.

Action: The annual report and financial statements to be signed by the chairperson, vice chairperson and chief executive.

Decision: The board of management approved Langstane Housing Association Limited draft annual report and financial statements year ended 31 March 2024.

2.4 LHA draft letter of representation

The spital property gain has been removed and replaced with the dilapidations provision regarding St Andrew Street, but there is limited documentation on its origin. This provision is set to be released next year following the completion of the work.

Action: Langstane Housing Association Limited draft letter of representation to be signed by the chairperson.

Decision: The board of management approved Langstane Housing Association Limited's draft letter of representation.

2.5 Draft letter of support from Langstane Housing Association Limited to Langstane Property Limited

Action: Draft letter of support from Langstane Housing Association Limited to Langstane Property Limited to be signed by the chairperson.

Decision: The board of management approved the draft letter of support from Langstane Housing Association Limited to Langstane Property Limited.

2.6 AGM Report (by company secretary)

The board operates under standard governance rules, specifically addressing the nine-year tenure limit which affects board members J Fraser and J Knowles, both of whom have exceeded this duration.

Additionally, in accordance with the one third rule, the following members A Habib, J Fraser, J Drummond and J Knowles are required to resign after the AGM.

D Bain and G Urquhart have expressed their intention to step down following the meeting. Two new applicants, J Gillies and K Butler, are also being considered for board positions.

If the number of candidates standing for election is less than or equal to the available vacancies at the AGM, the chairperson may declare them elected without a vote, which is expected to be the case.

Decision: The board noted the AGM report by the company secretary.

2.7 Board member profile collective skills matrix and individual skills requirements

Langstane conducts a review with board members and assesses skills gaps on a bi-annual basis. As this evaluation period approaches, paperwork will be prepared for approval before proceeding. This process ensures compliance with requirements and addresses skills development effectively.

2.8 Board away day

The leadership team recommended engaging managers and team leaders, followed by discussions with board members for this year's away day.

The chief executive proposed inviting Andy Young from East Kilbride Housing Association, who has led his team to receive the employer of the year award and achieve platinum status from Investors in People. Mr Young will be invited to discuss their recent 'leadership by intent' initiative, which focuses on empowering employees to make decisions while emphasising clear objectives and flexibility in achieving them, along with guidelines for addressing potential challenges.

Action: H Lawson to arrange a suitable date and location to hold the board away day.

2.9 CEO update

The chief executive highlighted the leadership team was granted delegated authority to accept a insurance proposal that offers significantly greater coverage for the association's properties. T Dinozzi praised the team for achieving a 2.3% increase in the premium, deeming it an excellent outcome in the current market.

The board of management noted the bathroom and window replacement contracts which were approved under delegated authority. This decision was ratified by the board.

The board of management noted that the chair and vice chair had approved leases for a further six homes to Aberdeen City Council social work department to house young asylum seekers under delegated authority and this constituted a disposal in terms of the Scottish Housing Regulator's guidance.

Following discussion regarding the success of the project this decision was ratified by the board of management.

Decision: The board of management noted the chief executive's update report.

2.10 Corporate document update

2.10.1 Scheme of delegation

Decision: The board of management approved the scheme of delegation, as presented.

2.11 Revised remit of the people committee

Proposed changes primarily relate to performance management arrangements and housekeeping on the comprehensive list of policies noted within the remit.

People committee can recommend the design of, and targets for, any performance related measures introduced for the leadership team although performance is reported through the performance committee.

Decision: The board of management noted the revised remit of the people committee.

3. Routine monitoring reports

3.1 Statement of outstanding business

Decision: The board reviewed and noted the statement of outstanding business.

3.2 LHA management accounts June 2024

The director of property recognised notable overspending, largely linked to ongoing accrual and administrative challenges within HomeMaster. The team has submitted comprehensive data to HomeMaster to facilitate system cleanup, addressing discrepancies primarily arising from duplicate orders and unresolved zero value orders.

A workshop is scheduled for 25th September for all personnel involved in raising work orders. The goal is to meticulously review the system to ensure compliance with procedures, consistency, and efficiency in raising work orders.

A Stevenson inquired why HomeMaster is responsible for the housekeeping exercise rather than handling it in-house. The director explained that this decision was made due to the extensive administrative work required for each of the approximately 2,000 work orders. HomeMaster can efficiently process a sheet and close off 1,000 orders at a time from their end.

Action: The director will provide a further update to board at the end of quarter 2.

3.1 Quarter 1, reports:

3.1.1 Strategic risk register

The board noted the summary report presented.

3.1.2 Signings report

The board considered and noted the report which provided summary information in relation to all signings, leases and disposals added to the relevant registers during Quarter 1, 2024-25.

3.1.3 PR, communications and social media report

The chairperson noted the launch of the Housing Perks initiative for employees and tenants. The director of housing reported an increase in participation and discounts and noted that anyone needing assistance with the app can contact the association for support from a digital champion.

The board had considered and noted the report which detailed information on the public relations, communications and social media activity during Quarter 1, 2024-25.

4. Draft minutes of committees

The board had considered and approved the draft minutes which had been available to view in the board portal and listed below as Items 4.1 to 4.2.

4.1 People Committee – 15 July 2024

4.2 Performance Committee – 6 August 2024

5. AOCB

5.1 Job evaluation review procedure

The chief executive confirmed procedures are not typically submitted to either committee or board for approval. However, the request is for approval to continue a practice established during the job evaluation process, which included measures to protect employees from immediate salary reductions.

This allows for a financial transition period, enabling individuals to adjust and consider their options with the association.

Decision: The board approved pay protection arrangements for a maximum of three years for anyone effected by a reduction in salary following a job evaluation review.

6. Date of next meeting

The chief executive encouraged members to attend the AGM in person, if possible. For those unable to attend, proxy voting was suggested as a viable option to ensure the meeting is quorate.

The next meeting of the board of management and the AGM will be held on Thursday, 19 September 2024.