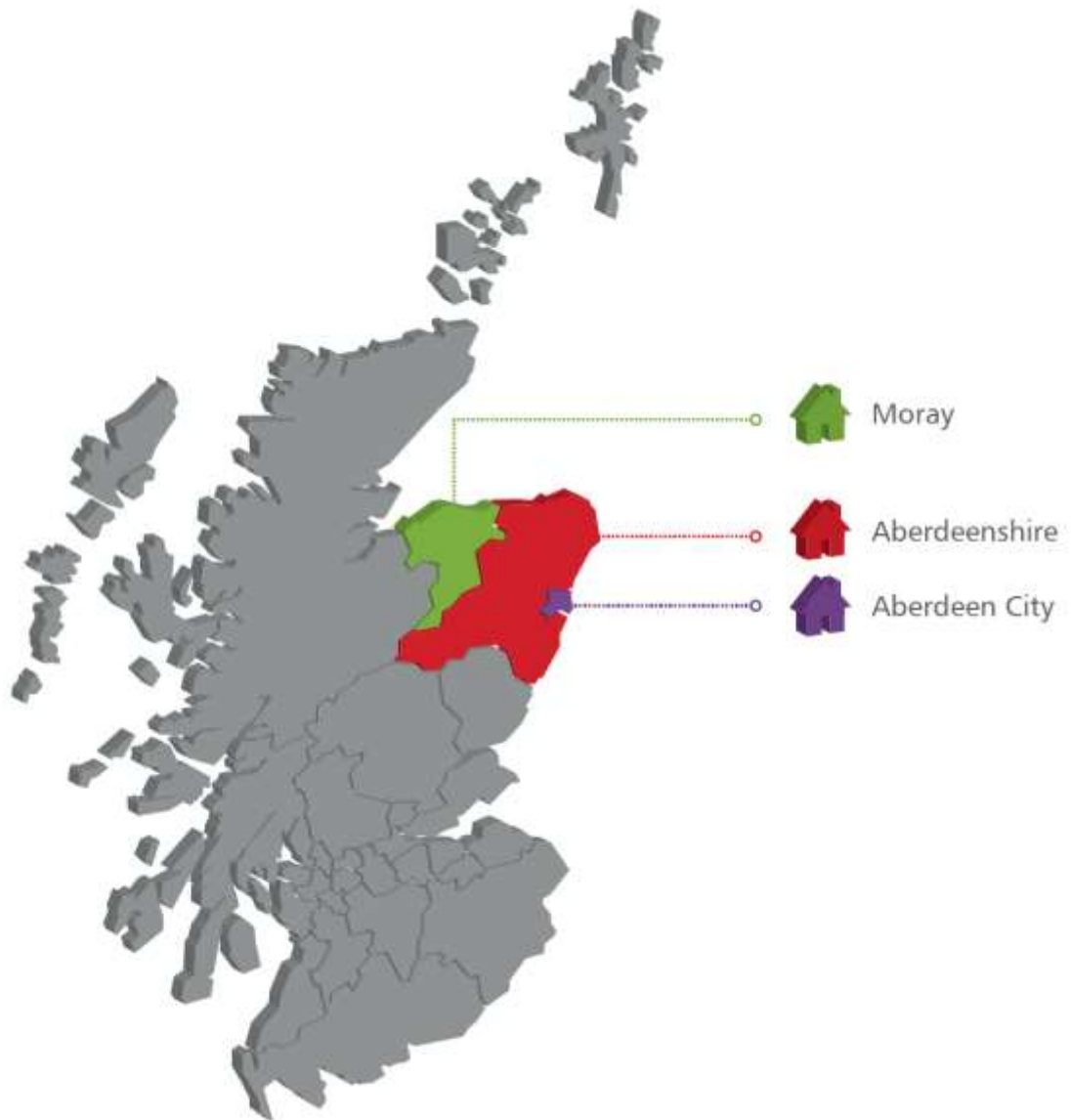


LANGSTANE HOUSING ASSOCIATION LIMITED



SUMMARY

Founded in 1977, Langstane Housing Association Limited is an ambitious, successful housing association that has built up a portfolio of over 2,900 homes for its tenants throughout the North-East of Scotland.

The vast majority of Langstane's properties are provided to households with limited opportunities to access the private market.

Langstane is governed by a voluntary Board of Management appointed by the membership to oversee the strategic direction and performance of the Association. It has three subsidiary companies which are collectively known as the Langstane Group.

The Langstane Group's 2020-2025 Business Plan, approved by Langstane Housing Association's Board of Management, outlines the direction that the Association will take over the next three years. The key priorities are to **'be the best we can be'**.

Maintaining an ambition to grow and contribute to wider community regeneration, the Association recognises it faces a number of challenges in coming years. These are addressed in a structured manner within the Business Plan with clear outcomes agreed and reported upon.

MISSION, VISION, VALUES

MISSION

The Langstane Group's mission is to **"provide homes and services that make a positive difference to people's lives"**.

VISION

The vision is to **"be the best we can be"** by investing in our:

- Customers;
- People;
- Homes;
- Organisation; and
- Communities.

VALUES

The values that drive us forward and underpin all our activities and working practices are:

- **We value people**
 - We put people at the heart of our decision making
 - We consult and listen to the views of those involved with the Langstane Group
- **We aim high**
 - We work hard to continually improve our services and deliver the services our customers want
 - We have a 'can do' approach
- **We are proud of our roots**
 - We remember our origins, that Langstane Housing Association was set up to help and support single person households who were among the most vulnerable members of our society
 - We provide homes not houses and support our tenants to live independently and be active members of our communities
- **We rely on teamwork**
 - We work together as one team and with one voice
 - We work with our partners to achieve our goals, delivering more together
- **We are prudent financial managers**
 - We recognise the importance of maintaining financial strength and use effective financial management to underpin everything we do and help us grow
 - We deliver value for money
- **We are open and accountable**
 - We provide relevant, accurate, user-friendly information about our performance that allows our tenants and others to hold us to account
 - When we make mistakes we apologise and put things right as soon as possible
- **We move with the times**
 - We influence decision making to benefit our tenants and our organisation, responding to change with imagination and innovation
 - We have a positive outlook regarding the housing industry and those we assist.

Langstane demonstrates its commitments to the above in different ways. This includes:

- continuing to work with local authorities and third sector organisations in the provision of good quality affordable accommodation;
- gaining and reporting on customer feedback - including making changes as a direct or indirect result of feedback;
- benchmarking performance against peer groups, locally and nationally where appropriate;
- undertaking regular tendering exercises for all externally provided services, to demonstrate best value;
- undertaking internal reviews to ensure that operational structures and services delivered meet customer expectations;

- supporting community based initiatives that benefit customers and are linked to the Association's objectives;
- promoting the things that are done well, saying sorry when mistakes are made, and learning from mistakes; and
- being open and transparent in all aspects of the Association's business.

This involves high levels of interaction with tenants and other customers and will involve increased use of modern communication methods if this is what customers want.

Decision making processes throughout the organisation take into account projected customer satisfaction levels, the potential costs of proposals; and the potential benefit to the organisation. This ensures there is a balanced approach in place, considering both the customer and the organisation, offset against the anticipated costs:

LANGSTANE HOUSING ASSOCIATION – THE PAST AND THE PRESENT

Registered by the Scottish Housing Regulator, in October 1977, Langstane Housing Association is a financially sound, aspirational organisation committed to developing and engaging local communities, in Aberdeen City, Aberdeenshire and Moray.

Originally set up to provide low cost rented accommodation for single households, the Association has grown and developed into a versatile organisation that provides accommodation and services to over 2,900 households in addition to supporting a number of third sector organisations through the provision of affordable office and residential accommodation.

Registered under the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, as a Scottish Charity, the Association operates as a not-for-profit organisation, reinvesting surplus funds into improving services, maintaining its homes and building communities. The Association is also registered to provide a factoring service and as a letting agent for its mid market rented homes.

A voluntary Board of Management, elected from the Membership at the Annual General Meeting, govern the Association. This is supported by a joint Audit and Governance Committee and a Performance Committee. These Committees meet at least four times per annum. In addition there is a People Committee that meets on an ad hoc basis. Other Committees are created to deal with specific matters.

To facilitate the provision of low cost home ownership options, a subsidiary, Next Step Homes Limited, was created in March 2007 (originally known as Langstane SP – founded in 1982). This was a registered social landlord but on 31 March 2017, a transfer of engagements transferred its assets to Langstane Housing Association Ltd.

The Association has three registered subsidiaries

- Langstane Property Ltd which administers the Association's mid market rentals and will eventually administer its more commercial rentals;

- Langstane Developments Ltd is a dormant company which has been set up to maximise the tax benefits to the Association when developing; and
- Langstane Maintenance Ltd which will remain dormant until such time as a decision is made to expand the Association's direct labour operation (DLO).

Collectively Langstane Housing Association and its subsidiary companies are known as the Langstane Group.

The Langstane Group's Mission is to provide homes and services that make a positive difference to people's lives. It is important to the Group the homes and services provided help people feel they belong and to improve their wellbeing whilst enhancing the communities in which they live.

Langstane has in the past maintained a healthy development programme and capitalised on opportunities that presented themselves to increase and improve the provision of good quality, affordable housing in the North-East. However in late 2018, development activities were suspended whilst the Association improved its governance and financial management standards. In late 2022, Langstane's Board of Management will make a decision on whether or not to return to development and / or acquisition activities. This decision will consider:

- The requirements of Housing to 2040;
- Keeping rents affordable for tenants and other customers;
- The findings from the most recent stock condition survey carried out; and
- The findings from work an external company carried out to determine how Langstane's homes will meet the Energy Efficiency Standards for Social Housing (ESSH2).

The unique area in which the Association operates, servicing the Aberdeen City housing market area alongside rural communities, brings financial and other challenges for customers wishing to access good quality housing at a reasonable cost. The need to balance expenditure on existing housing provision against future acquisitions is recognised. The Association's 30-year financial plans give cause for optimism as they show a sustainable future and this will benefit the Association when it returns to the market to meet its longer term funding requirements during 2022-23.

Partnership working has seen a high level of support provided to third sector organisations. This can be demonstrated in a number of ways for example, the submission of joint-funding applications, modest grant funding, the provision of affordable office and residential accommodation, and the provision of staff resource in the form of staff time and expertise.

The Association has hosted a number of third sector organisations who want a presence in the City without necessarily entering into a longer term office lease. This brings other organisations to the heart of the Association's business and ensures services remain accessible in the communities in which Langstane operate, a key priority for the Association.

As owner and manager of 2,886 self-contained social rented homes across Aberdeen, Aberdeenshire and Moray, the Association provides 75 bedsits and 1,687 one-bed homes.

The remaining homes are two, three, and four[†] bed although the popularity of two bed homes has dipped following changes to welfare benefit rules.

The Association also owns commercial properties and hostels and is part owner of shared ownership homes (mainly located in Aberdeen city).

It is crucial the Association's existing stock is fit for purpose and meets regulatory requirements. Therefore, achievement of the Scottish Housing Quality Standard, the Energy Efficiency Standard for Social Housing (ESSH2), and the Asset Management Strategy are of significant importance. This is set alongside the need to fully understand the priorities of customers and involve them more comprehensively in decision making moving forward.

Operating in a heavily regulated industry, the Association must meet the requirements of a number of regulatory bodies, including:

- The Scottish Housing Regulator (SHR);
- The Financial Conduct Authority (FCA);
- The Scottish Charity Regulator (OSCR); and
- The Care Inspectorate.

The Scottish Housing Regulator is clear that its statutory objective is "to safeguard and promote the interests of current and future tenants of social landlords, people who are or may become homeless, and people who use housing services provided by registered social landlords (RSLs) and local authorities".

In particular, during the lifetime of their Corporate Plan 2019 - 2022, the Scottish Housing Regulator will empower tenants and others, gain assurance (from social landlords), take action when needed, carry out thematic work, and promote equality and human rights.

In this era of accountability, the Association will ensure achievement is evidenced and reported through the Annual Assurance Statement¹ process, the Annual Return on the Charter (ARC)² and by analysing regular customer satisfaction surveys / feedback. Greater use of public relationship techniques will be introduced to ensure customers and others fully recognise where improvements have been made and the overall quality of service provided by the Association.

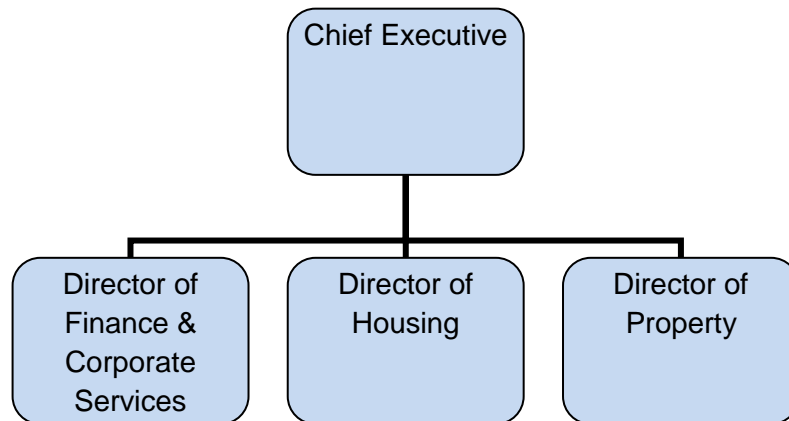
¹ Annual Assurance Statements were introduced by the Scottish Housing Regulator in 2019 and must be submitted by end October annually. These statements are an assessment by the Board of Management on compliance with the governance and financial management standards

² Annual Return on the Charter relates to the Scottish Social Housing Charter and an annual report must be submitted by end May. Thereafter the results must be reported to tenants by end of October



INTERNAL MANAGEMENT STRUCTURE

Langstane has four defined internal services that work cohesively towards achieving the Association's objectives. The structure of the leadership team is shown below:



CHIEF EXECUTIVE'S OFFICE – this section administers the good governance of the Association. Its task is to ensure:

- Continual development and implementation of the approved Business Plan and associated strategies and management practices;
- Board of Management is aware of steps and decisions that need to be taken to guarantee good and effective governance and reflect the open and democratic nature of the Association;
- training programmes are maintained both for staff and governing body members;
- the Association's objectives, along with those of partner organisations as appropriate, are widely and effectively promoted; and
- new business opportunities are sought and found, subject to criteria of feasibility, value for money and compatibility with the Association's objectives and values.

Priorities moving forward are to ensure:

- the Association and its services are fit for purpose and its objectives effectively delivered;
- the profile and potential as well as current work of the Association and partners are promoted in a planned way in all relevant media and forums; and
- the Board of Management's plans for succession and training are further developed and implemented.

FINANCE & CORPORATE SERVICES – this section is responsible for the financial operation of the Association in addition to governance and corporate activities, information technology, and people and culture. This section is also responsible for disposals (by way of granting a heritable security).

Priorities moving forward are to ensure:

- the development and enhanced use of data that flows efficiently and allows performance measurement, ensuring value for money is at the core of all that the organisation does;
- a full review and implementation of the ICT Strategy to ensure the Association is ready to meet future challenges in the work environment; and
- the development and training of staff to ensure Langstane can attract and retain a skilled workforce that fully understands and supports the objectives of the Association.

HOUSING – this section is responsible for all housing management, housing support, and front line customer response duties. This section is also responsible for disposals (by way of lease).

Priorities moving forward are to ensure:

- the Association fully understands the circumstances and priorities of its tenants and other customers;
- key service delivery areas are improved;
- improved interaction with tenants and other customers is achieved through Tenant Scrutiny and other consultative methods; and
- customer satisfaction levels rise.

PROPERTY – this section is responsible for all acquisitions, disposals (by way of sale), planned and cyclical maintenance programmes, reactive repairs and the disabled adaptations service.

Priorities moving forward are to ensure:

- delivery of the Asset Management Strategy;
- the development of key policies and procedures relating to asset management;
- ensuring all documentation in relation to the Association's property assets is in place and easily accessible; and
- the improvement of stock condition data.

Langstane's ethos of community and social engagement is an important driver for many people involved with the Association including the governing body, staff, partner agencies, and contractors. Although it is important for the Association that its business is conducted in a responsible manner that demonstrates financial health, equally important is the community work undertaken and the benefit the Association can bring to individuals, households and the community as a whole.

Overall it is the responsibility of the Board of Management and the leadership team to ensure the Langstane Group delivers the best possible services it can to its customers, existing and future. This commitment involves more subtle methods of providing benefits for example the Association has given an undertaking that all direct employees will be paid the living wage. As an employer of local people (in the Aberdeen and Elgin areas), this is an important commitment by the Association and one that demonstrates its social responsibility.

It is also important the Association is seen as an attractive career opportunity and can attract and retain sufficiently skilled and knowledgeable staff at all levels throughout the organisation. This in turn will benefit tenants and other customers who are recipients of the services provided.

RESOURCES

Langstane Housing Association is due to review its lending facilities in 2022-23. There are considerations that need to be taken into account such as the results of the recent stock condition survey and whether or not the Association wishes to acquire additional homes.

In addition to any potential acquisition programme, significant expenditure is programmed for meeting the Energy Efficiency Standard for Social Housing (ESSH2), fire detection and prevention measures, regenerating and generally improving existing homes.

The Association's 'statement of financial position' summary is healthy and reflects where the Association is currently at and where it intends to progress over coming years.