

Minute of Langstane Housing Association's Board of Management Meeting held at 680 King Street, Aberdeen, AB24 1SL on 15 June 2023 at 12.30pm

Meeting start time	12:52pm	Meeting end time	13:58pm
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Present	Members - In Person	Members - Remote Attendance
	M Martin, Chair	J Knowles, Vice Chair
	A Stevenson	J Drummond
		J Fraser
		G Urquhart
	Co-Optee	Remote Attendance
	D Bain	
In Attendance	In Person	Remote Attendance
	H Gauld, Chief Executive	
	M Ballance, Director of Property	
	L Macfarlan, Director of Finance and Corporate Services	
	J Sutherland, Director of Housing	
	H Lawson, Executive Assistant (Minute Taker)	

Apologies	I Jamieson
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Absent / No apology	A Habib
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1. Apologies

The apologies noted above were intimated to the Board.

2. Declarations of Interest

There were no notes or declarations of interest.

3. Draft Minute – Board of Management – 20 April 2023

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

3.1 Matters Arising

3.1.1 4. Statement of Outstanding Business

It was noted the proposed presentation of the asset management strategy and business plan is being deferred to a meeting later in the calendar year.

It was deemed appropriate to await further clarity on Scottish Government and local priorities. The Chairperson acknowledged the documents will be extensive and complex, possibly necessitating a separate meeting for the Board to fully deliberate them.

3.1.3 10.8 Unencumbered Stock

The chief executive provided further explanation regarding this item. The Association released excess security and as such would be an attractive entity for others considering a takeover or perhaps taking over another entity.

Board members had deemed it beneficial to clearly lay out the parameters that would warrant Langstane's consideration of such proposals, while simultaneously

safeguarding the Association's interests and defining the criteria that would shape our future decision-making processes.

4. Statement of Outstanding Business

The Board reviewed the Statement and noted the following:

- Item 1 Asset Management Strategy will be presented at a later date in 2023; and
- Item 11 Governing Body Recruitment will be discussed in more detail at item 11 in today's agenda.

5. Rent Levels – Presentation

Board members noted that pro rata, Langstane has historically provided significantly more homes to homeless households than any other mainstream Scottish landlord, normally above 50% but in 2022-23 that reduced to 26.8%.

Board attention was also drawn to the following:

- 84% of Langstane's homes are flatted. 70%+ are one-bedroom homes (78 studio flats and 1,100+ are single person one-bed homes);
- Although the majority are relatively new homes, a significant portion are much older – circa 400 Granite, some with no parking or amenities close by;
- Energy efficiency rating is above Scottish average but still expensive to heat when you have only one income (fuel costs);
- 2.99% of homes fail the Scottish Housing Quality Standard (SHQS), 5% exempt
- Turnover higher than peers – 12.6% as at 31 March 2023;
- Rent affordability – internal target of less than 30% of income (capped increases have been applied on a number of occasions);
- Commercial units let out to support the agencies who make a difference to our tenants;
- Tenant employment rates fluctuate – on and off housing benefit / universal credit. During 2022-23, 47% of housing costs were provided directly to the Association;
- 55 people in rent arrears of £3,000+;
- Debt from Universal Credit delays can be significant – up to £588,000;
- When tenants' incomes are significantly reduced, they don't use their heating – bad for their health and homes;
- Empty homes – relet times post Covid peaked at 92.59 days on average;
- Social isolation is a significant issue, we have a transient client group;
- Antisocial behaviour can be high – 464 cases dealt with in 2022-23; and
- Accessed fuel support fund (Scottish Government fund) to support those with capped gas supplies (104 compared to the average of 28 for other providers) – significant number of tenants refused.

The Director of Housing confirmed that service charges undergo an annual review to reflect the costs paid. It was noted the costs are directly passed to tenants. The service charge policy permits the Association to include a 10% administrative fee, although this has not been implemented due to the current cost of living concerns for most individuals.

Static charges are levied for gardening, maintenance and cleaning contracts and these are apportioned according to housing blocks. In some circumstances, there may be different charges based on varying requirements, such as tenants who have received furniture, with an additional charge applied per property in such cases.

While the service charges seem generally fair it was noted that there appears to be wide variations in the level of service charges between some apparently similar sized properties and this should be the subject of further investigation to ensure the charges overall are equitable.

A copy of the presentation will be circulated to members of the Board of Management following today's meeting.

The Board noted the presentation.

Action: An update report to be brought back to a future meeting.

6. Annual Treasury Report

The Director of Finance and Corporate Services provided an update to Board for the year on activity on the treasury front.

Key highlights:

- Have not breached requirements of the treasury management policy;
- A valuation has been undertaken on unencumbered stock to get the portfolio ready in order to access funding for development;
- Interest rates on deposit accounts have been increasing;
- Saving rates have also increased;
- Cash balance at end of the year is just over £4m;
- The net cash movement for the year is an overall increase in cash of £50.1k.
- No loan covenants have been breached;
- Reviewed treasury management policy to ensure it abides by SFHA guidance; and

The Director has confirmed the incremented interest rates are affecting the annual budgets. As a precautionary measure, allowances have been made, though there are possibilities of changes in the future.

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

7. Progress Report and Draft Annual Report and Financial Statements to 31 March 2023

RSM's auditors are scheduled to arrive on-site on the 19th of June and stay for two weeks. The draft statutory accounts are complete and will undergo review by the Audit Committee on the 27th of June 2023.

As a result of reconciliation between the RAM (real asset management system) and SUN accounts, several adjustments were made to HAG (Housing Association Grant) and fixed assets, resulting in a decrease in profit.

The Board considered and noted the update, and approved the action taken to ensure the record of assets held was accurate.

8. Loan Portfolio Annual Return 2022-23

This is a summary of the loans and loan covenants currently in effect for the current fiscal year, which must be submitted to the regulatory body, Scottish Housing Regulator, by June 30th following board approval. The majority of this data is included in the annual treasury report and has been re-formatted for the Scottish Housing Regulator.

Decision: The Board approved the Loan Portfolio Annual Return 2022-23 which will be submitted to the Scottish Housing Regulator ahead of the deadline date of 30 June 2023.

9. Annual Strategy Update

Upon review of the previously circulated report, and in light of the absence of further commentary, the Board noted the annual strategy update.

The Board noted the report.

10. Working with the Third Sector and Community Assets

The purpose of the report was to bring to the attention of the Board the numerous organisations with which the Association collaborates.

The Director of Housing confirmed that prior to Covid-19, various groups such as C-Fine and Silver Surfers had utilised the common room at Fraser Court. However, following the pandemic, the room remained inactive.

The Langstane Housing Support Team will be relocating to Fraser Court permanently and serving the community from there. The Support Manager is eager to make the move and work from the heart of the community.

During the meeting, J Knowles proposed that additional efforts should be made to promote the community work accomplished in tandem with the 33 organisations.

Furthermore, D Bain suggested a potential expansion of the current list to involve the Scottish Men's Sheds network in supporting mini-allotments.

The Board noted the report.

Action: Increase the promotion of work completed collectively with 33 local organisations aimed at achieving the Association's philanthropic objectives.

11. Chief Executive's Update Report

In addition to the contents of the report the following were noted:

11.1 Scottish Housing Regulator (SHR)

The SHR has issued a consultation document on the future of regulation. The first stage is to gain views from organisations, they will then revert back with a much more detailed regulatory review to be consulted on. The deadline for stage 1 is the end of June 2023.

11.3 Governing Body Recruitment

There appears to be a widespread challenge relating to the recruitment of governing body members. To address this challenge, the decision has been made to engage the services of a recruitment agency to manage this process going forward. The Chairperson has expressed a favorable interest in exploring this option alongside more traditional approaches.

11.4 Decision making under delegated authority by the Chairperson for ratification

Decision: Board members ratified the decision of the Chairperson noted in the report.

11.5. Decision making under delegated power for ratification

Decision: The Board ratified the decisions made at People Committee (2 May 2023) and Performance Committee (23 May 2023)

11.6. Budget implications of increased hours for Property Surveyor post (for approval)

Decision: The Board approved the change to the staffing budget due to the change in hours for the Property Surveyor post.

11.8 Governing Body Appraisals

Following from governing body appraisals, a recommended CEO statement would be used at each meeting. This will negate the need for the standard statements at the beginning of each report submitted to the Board. In addition, the Association will consider how reports can be standardised re performance, and how only the salient points are provided for Board consideration (with the ability to review the full document if needed), etc.

Decision: The Board approved the recommended CEO statement and noted more reports will be added to the 'available to view' section of the portal.

12. Langstane Group Insurance Renewal

Numerous reports regarding social housing indicate the challenges faced by residential social landlords in acquiring insurance coverage. At the time of renewal, premiums are escalating by approximately 50 to 100 percent, due to the impact of fire safety hazards, damp and mould risks, as well as the aftermath of the Grenfell tragedy.

Additionally, there is a scarcity of insurers, adding to the complexity of the process. If we are unable to acquire insurance, we may breach the loan terms of property coverage, exposing ourselves to significant financial risks. The insurance renewal is scheduled for June 30th and requires approval from the Board.

The Board was provided assurance by the Director of Finance and Corporate Services that Marsh's provide security with their effective coverage. However, it was suggested that a tender process be considered next year.

In response to J Fraser it was confirmed board members receive blanket cover under professional indemnity.

Decision: The Board approved insurance renewal arrangements.

13. Corporate Document Review

13.1 Scheme of Delegation V1.9

Minor changes were made to the Scheme of Delegation. It was noted Lynne's replacement, Mandy Macarthur, will commence her role as the Director of Finance and Corporate Services from 26 June 2023. A further suggestion was that approval be given to change all documentation over to Mandy and once Lynne has left and in July Lynne's details will be removed.

Action: The Board agreed to add the Vice Chairperson to the Bank Signatories

Decision: Content with the changes the Board approved the amendments to the Scheme of Delegation V1.9, the addition of Mandy Macarthur to the Scheme and the removal of Lynne Macfarlan once her employment ends

14. Minutes

Following a brief discussion it was agreed that going forward the Board would approve all sub-committee minutes as long as there is sufficient people in attendance from the sub-committee.

With that in mind the Board considered and approved the draft Minutes which had been available to view in the Board Portal and are listed below:

14.1 Draft Minute – Board of Management Langstane Property Limited – 25 May 2023

14.2 Draft Minute – Performance Committee – 23 May 2023

14.3 Draft Minute – People Committee – 2 May 2023

15. Entitlements Payments and Benefits Request

The Board considered the previously circulated report.

Decision: The Board approved the offer of the tenancy which will be recorded as an interest in the appropriate register.

13. AOCB

13.1 Director of Finance and Corporate Services

The Chairperson conveyed their gratitude to the Director for her contributions during her tenure at the Association, highlighting the significant improvements made to the financial governance which resulted in greater confidence from the Board.

Finally, the Board extended their sincere wishes for the Director's success in her future endeavours.

13.2 Wage negotiations

Negotiations were held with Unite. Members were balloted and the offer was rejected. A proposal has gone back to Unite with no further negotiations taking place. Members will be re-balloted and a response is anticipated.

15. **Date of Next Meeting**

Thursday 24 August 2023 at 12.30pm