

**Minute of the 45<sup>th</sup> Annual General Meeting of Langstane Housing Association Limited held on Thursday 21 September 2022 at 12.30pm**

<b>Meeting start time</b>	12.28pm	<b>Meeting end time</b>	1.39pm
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<b>Present</b>	<b>In Person:</b>	<b>Remote Attendance</b>
	M Martin (Chairperson)	
	J Knowles	
	D Bain	
	P J Barratt	
	R Boyle	
	R Cuthbert	
	J Fraser	
	A Habib	
	I Jamieson	
	C Napoli	
	K Rennie	

<b>In Attendance</b>	<b>In Person:</b>	<b>Remote Attendance</b>
	M Ballance, Director of Property	T Bright, RSM UK LLP
	M Macarthur, Director of Finance and Corporate Services	
	J Sutherland, Director of Housing	
	R Davidson, Customer Service Manager	
	H Gordon, Registered Manager for LHSS	
	S Hough, Customer Participation Officer	
	M Toward, Housing Manager	
	N Swinton, Student	
	H Lawson, Executive Assistant (Minutes)	

<b>Apologies</b>	
	H Gauld, Chief Executive
	L Cargill
	F Davidson
	T Dinozzi
	J Drummond
	S Gray
	J Greener
	K Hutchens
	J Marshall
	D McLeod
	S Ritchie
	A Stevenson
	I Truscott
	G Urquhart

**1. Present**

The members noted above were present at the meeting.

**2. Apologies**

The apologies noted above were intimated to the meeting.

**3. Draft Minute of the 44<sup>th</sup> Annual General Meeting held on 21 September 2022**

A minor amendment is to be made to the previous meeting Minute to include A Habib within the attendee list.

The Minute of the 44<sup>th</sup> Annual General Meeting was, on the motion of C Napoli, seconded by A Habib, approved as an accurate record subject to the aforementioned amendment.

#### **4. Chairperson's Report**

The Chairperson, M Martin, spoke to the report, a full version of which is attached as Appendix 1 to this Minute.

#### **5. Audited Accounts to 31 March 2023**

At the invitation of the Chair, T Bright, Audit Manager, RSM UK LLP, provided members with a summary of the key matters within the Annual Report and Financial Statements as follows:

- Within the statement of comprehensive income there is a loss in relation to pensions to the value of £775,000. This is an accounting adjustment based on expected future liability for pensions, which is based on assumptions throughout the year and fluctuates annually.
- The audit opinion being the financial statements gave a true and fair view of the state of the Association's affairs as at 31 March 2023 and its income and expenditure for the year then ended.
- The report is considered clean and unqualified with no areas of non-compliance.
- There are no issues in respect of "going concern".

In response to P Barratt, the Chair confirmed the rent increase for 2023 was set at 5%.

#### **6. Appointment of External Auditor**

Members noting the recommendation made by Company Secretary, M Macarthur, approved the re-appointment of RSM UK LLP as the Association's auditors for the current year.

#### **7. Election of Members to the Board of Management**

M Martin, Chairperson, informed the meeting Dr Douglas Bain is required to 'retire' as he joined the Board during the year. Dr Bain can be re-elected without nomination

In accordance with Rule 39.1, one third of members are required to retire at every AGM. This year, members retiring included Ian Jamieson, Anne Stevenson and Gillian Urquhart. M Martin invited members present to provide any reasons to object the re-election of the aforementioned members to the Board. There being none, the Chair declared them re-elected.

The Chairperson expressed his gratitude the following nominations to the Langstane Housing Association Board of Management Tony Dinozzi, Scott Gray, and Dave Macleod.

#### **8. Members Questions**

A number of questions had been submitted in advance of the meeting by K Hutchens. These had raised his concerns regarding the ongoing economic crisis and the impact to housing associations following the Covid-19 pandemic.

The Chairperson read aloud the questions which are attached to this minute as Appendix 2.

In addition to the Chairs response to K Hutchens regarding whether Langstane Housing Association or the Scottish Federation of Housing Association's have looked at the impact of the Pandemic on its work, J Fraser reminded those present that the leadership team supplied regular real time updates throughout the course of the pandemic which were passed to the Scottish Housing Regulator on a monthly basis. Information at the time was gathered from all registered social landlords throughout Scotland which will be used to form the basis of a report on the after effects of the pandemic experienced within the housing sector.

Chairperson, M Martin, opened the discussion floor to questions.

P Barratt, who has been a tenant with Langstane for 33 years and expressed his intention to remain as such, asked whether the Association intends on building amenity housing given the ageing population. In response, the Chair stated consideration is given to the need for a broad mix of accommodations in order to sustain tenancies. There are currently no detailed commitments to build new homes although there is an understanding in principal to move away from large blocks of flats with communal entrances and instead focus more on smaller properties with individual entrances, flexible and family housing suitable for a wider range of applicants. The Chair was unable to confirm a timescale for such developments with priority being given to securing a more stable financial position in the current economic climate. On the understanding that the financial position stabilises within the next year, there would be no development activity until at least 2025. More work would be required on identifying suitable sites that serve the needs of tenants whilst sticking to the Association's values and objectives.

P Barratt suggested circulating a survey to tenants wishing to remain with Langstane Housing Association to better understand their housing needs.

R Boyle spoke of the financial impact facing current tenants of the Association, in particular with regards to rent increases. The Chair assured those in attendance that the Board of Management are mindful to keep rents affordable and at a manageable level for everyone. The Board together with the leadership team continue to look at ways in which efficiencies can be made in order to keep rent increases to a minimum including the recent roll out of IT upgrades. Talks are ongoing in regards to less desirable properties and whether investment should be made to retain them or dispose of them as they are a potential future liability. The Chair agreed this was a sensitive subject requiring a delicate approach to any future discussions.

## **9. Guest Speaker: Rebecca Davidson, Customer Service Manager, Langstane Housing Association**

R Davidson spoke to a presentation regarding the challenges more vulnerable tenants face when they start, and continue, their tenancies with Langstane Housing Association.

Upon the conclusion of the presentation R Davidson opened the floor for questions.

In response to a question posed by J Fraser, R Davidson confirmed data is available to the housing team so they can better understand a tenants reasons for leaving the property. This information is reviewed on a quarterly basis and will soon become easier to obtain due to the rollout of the new internal housing system, HomeMaster.

R Boyle queried whether any of the long term void properties could be changed into a training facility which could offer young people the opportunity to learn introductory skills including budgeting and cooking. The director of housing, J Sutherland, confirmed the Association currently works in partnership with the Throughcare & Aftercare Team which provides similar levels of support to tenants. After a period of time the tenancy is

reviewed and converted to a Scottish Secure Tenancy. The director agreed there is scope to expand the service to young people as it only currently engages with those in the care system.

K Rennie expressed her appreciation for the presentation by R Davidson explaining the support on offer by the Langstane Housing Support Service would have been welcomed during her own transition into her first property.

D Bain queried whether there is scope for joint working with voluntary organisations which may in time open up a funding stream via the Scottish Government to deliver services including cooking and budgeting. The director of housing confirmed Langstane currently works in partnership with CFine to offer cooking classes to tenants. The director agreed it would be worth exploring the expansion of the service for the benefit of tenants.

In response to a question posed by R Cuthbert, R Davidson agree there is more to be done in order to promote the support services available from Langstane Housing Association.

J Fraser queried whether there was an opportunity to speak with local schools and colleges in order to provide basic support and understanding to those looking to start a tenancy. R Davidson and the Langstane Housing Support Service currently attend careers event and hold talks with young people to help them understand the process of starting a new tenancy. The director of housing also commented that local authorities have a responsibility as a strategic authority to discuss tenancies with young people via schools and local colleges.

There being no further questions the chair declared the meeting closed.

## 2023 AGM Chair's Report

1. Welcome - our 45<sup>th</sup> AGM/my 1<sup>st</sup> as Chair - particular welcome to our tenants - and thanks for your work on the Scrutiny Panel
2. I am guessing that all of my predecessors will have remarked that the year in question has been challenging - Well, I am not going to break with this tradition! This last 12 months has indeed been challenging - the uncertainties coming out of the Covid lockdowns, the disruptions to supply chains, the shortage of skilled workforce especially for our building contractors, the high levels of vacancies and increase in "difficult to let" properties - as if this wasn't enough we also had excessive inflation and the cost of living crisis! Thankfully, some of these challenges are beginning to ease - but I am sure there will be fresh challenges awaiting as this year unfolds!
3. Regardless of these challenges - we made it! We are here and able to report a strong and stable financial position - which has to be our "bottom line" to ensure Langstane is sustainable and has a secure future. And this is particularly impressive given the fragile financial and governance position we were in a few years ago. More on this when we receive our Audited Accounts.
4. But we have done more than just survive - we have achieved some good initiatives.

At our core is our prime achievement - being able to provide good, affordable homes to over 3,000 single people and families across NE Scotland. This is significant, should not be under-estimated or taken for granted and must remain our primary focus.

To be a good landlord means reconciling 3 permanent tensions

- investing in our stock to ensure it is "fit for purpose" -
- investing in our staff to ensure they are well rewarded and motivated
- keeping rents at a level that are affordable to all

All our running costs come from our rents - the more we spend on repairs, maintenance and staff the higher our rents. Getting the balance right is perhaps the primary challenge for the Board - and given the return of high inflation this year - this is particularly difficult right now. And there is no magic formula that gives us a right or wrong answer - it has to be our best judgement.

So, when we were setting the budget for last year inflation was running at 6% and forecast to come down to 2% by the year end - well, I love the quote "all forecasts are wrong, but some are useful" Well, the forecast for last year was definitely wrong and not that useful - but we had to base our budget on it!

By constant monitoring and making adjustments we were able to sustain a balanced budget - but the cost was a reduction in spend on planned maintenance - which is not good in the long term.

And of course this uncertainty over levels of inflation is still with us this year - so our challenges continue.

5. But as I said earlier - we have done more than just survive - we have achieved a number of important activities that will help to sustain us in the continuing uncertain times that lie ahead. Let me just quickly run through a few
  - a) Our financial plan required us to save £5million – this has been achieved – and is no mean feat, hard work by our leadership team, commitment from our staff and tough decisions by the Board were all required.
  - b) We have carried out an extensive stock condition survey so we can be confident about the condition of our properties and make informed decisions regarding planned maintenance investments going forward.
  - c) We are keen to move back into a position where we can build new homes so commissioned a report on the financial feasibility and an assessment of what to build and where.
  - d) The board held a strategy day to consider the proposals for new developments and from that session we agree 10 strategic aims -
    - to reaffirm our values, purpose and aims
    - we should move back to new developments - but build more family homes and move away from larger blocks of flats with communal entrances
    - we should carry out option appraisals on 7 sites identified as low demand/difficult to let
    - we must meet insulation standards (ESSH2)
    - must sustain our financial strength
    - build our data resources to ensure informed decision making
    - build on and develop our care and support services for our tenants
    - continue to invest in our staff
    - continue to seek creative ways to engage with our tenants and applicants
    - only consider new developments where they meet our aims, values and purpose.

Realistically it is likely to be next financial year at the earliest before we are in a position to commence any new developments due to the overall state of the economy.

- e) We have engaged with MEARS (on behalf of the Scottish Govt.) to provide accommodation for asylum seekers and with Aberdeen City and Aberdeenshire councils to provide homes for Ukrainians seeking refuge.
- f) We have renegotiated our borrowing to get the best possible terms - and this included releasing nearly 800 properties from being securities against borrowing - this will provide the flexibility we need when we decide to proceed with new developments
- g) During the year we also re-opened our offices to staff and public and we also sub-let some office space here in King Street to GREC to our mutual benefit.
- h) We implemented the outcomes from a job evaluation exercise to ensure all our staff are working on up to date job descriptions reflecting the work they actually do.
- i) We launched a new, improved web site to help improve our communications with tenants and applicants.
- j) We introduced a new local lettings initiative to speed up the letting process for 2 bed homes.
- k) We dissolved Stockethill Homes, a dormant subsidiary to streamline our governance and business model.

## Appendix 1

So - all in all - a busy, productive and ultimately successful year.

In conclusion I would like to offer my thanks to my fellow Board members who all give their time freely and with out whom there would be no Langstane Housing Association. And a particular thanks to those members who, unlike me, are not retired but still have "day jobs"

There is a truism "If you want something done - ask a busy person" And that is certainly the case for all my fellow Board members - so THANK YOU.

Can I also thank all our staff - the quality of our services are directly related to the quality of our staff and they really do carry out impressive work. I really hope that as we move forward the Board can become more visible to our staff. I should also acknowledge that we are yet to agree this year's pay settlement with the Union, but negotiations are continuing and I really hope they can be concluded quickly.

As a Board we also want to become more visible to our tenants - we hope to arrange more site visits during the year and perhaps attend some tenant consultation events.

Finally I would like to thank our Management Team under the leadership of Helen. When Helen joined Langstane we were in a perilous place - She, along with my predecessor James Knowles have done a fantastic job in bringing back Langstane from the brink to a place where we are financially stable, providing good homes across the NE and now contemplating a return to new developments. This has been a tough ask and I know it has involved a lot of sleepless nights and sometimes uncomfortable decisions and actions - but it has been worth it. So, THANK YOU to both Jim and Helen.

Mike Martin  
Chairperson

- Question:** Given that inflation has been as high as 11 per cent what efforts are going to be made to keep the next rent increase at 0 or low single figures?
- Response:** The Association always has affordability at the heart of its decision making and we utilise the Scottish Federation of Housing Associations (SFHA) affordability toolkit. Whilst every effort will be made to keep rent levels as low as possible, Langstane is not immune to rising costs and more and more is being asked of housing associations. Our commitment, at this time can only be to keep any future rises as low as practical whilst delivering for our tenants.
- Question:** Will the Housing Association movement lobby the Scottish govt to give funding to the movement to help it implement a freeze on rents?
- Response:** The Scottish Government has been clear there will be no funding specifically allocated to allow landlords, including social landlords, to freeze rents. However, the SFHA has been constantly lobbying the Scottish Government to ensure where practical, grant funding can be provided to allow social landlords to keep their rent levels as low as practical.
- Question:** Has Langstane done any research on rent poverty and how it affects tenants? Alternatively has SFHA carried out such research?
- Response:** Not as such. However the SFHA has continually asked for information on the impact of various government initiatives and / or cuts and considers the practical issues these cause for tenants – this includes poverty levels.
- Question:** Given the Scottish and UK Government are conducting enquiries into the Covid Pandemic has Langstane Housing Association or SFHA looked at the impact of the Pandemic on its work?
- Response:** It is very difficult for the Association, and indeed for housing the industry to separate out the impact of Covid from the impacts felt due to Brexit, the war in Ukraine, etc. Whilst we and others are very much dealing with increased costs, lack of skilled operatives and materials, our projections on what risks we face as an industry have very much changed. The role housing associations play in our communities was not fully understood before the pandemic took hold and, should we ever face a similar situation in the future, social landlords may be seen as an essential service that must continue during a lock down.