

Minute of the 44th Annual General Meeting of Langstane Housing Association Limited held on Wednesday 21 September 2022 at 12.30pm

Present:

In Person:
P Barratt
B Crockett
K Hutchens
J Knowles
C Lynch
M Martin
F McCallum
C Napoli
E Osman
A Stevenson

Remote:
J Fraser
I Jamieson

In Attendance:

In Person:
H Gaud, Chief Executive
M Ballance, Director of Property
L Macfarlan, Director of Finance and Corporate Services
J Sutherland, Director of Housing
A Bruce, Executive Assistant (Minutes)

Remote:
C Donovan, End Furniture Poverty
T Bright, RSM UK LLP

Apologies:

L Cargill
J Davidson-Collins
J Drummond
J Marshall
G Munro
S Ritchie
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 43rd Annual General Meeting held on 22 September 2021

The Minute of the 43rd Annual General Meeting was, on the motion of J Fraser, seconded by M Martin, approved as an accurate record.

4. Chairperson's Report

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

5. Audited Accounts to 31 March 2022

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:

- 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 2022 and its income and expenditure for the year then ended.
- There had been significant movement in the pension scheme in that there is no pension liability for the financial year;
- There are no issues in respect of "going concern".

6. Appointment of External Auditor

Members noting the recommendation made by Company Secretary, L Macfarlan, 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

L Macfarlan Company Secretary informed the meeting four members had stood down from the Board of Management during the year. These included J Marshall, K McIntosh, J Greener and M Keith. No new members had joined the Board which currently has eight members.

In accordance with Association Rules, there were no members required to retire due to being elected as a casual or co-opted member.

In accordance with Rule 39.1, one third of members are required to retire at every AGM. This year, members retiring included J Drummond, A Habib and M Martin. All members had intimated their willingness to be re-elected and as the number of members looking to be re-elected was less than the number of vacancies, the Chairperson could declare them re-elected without a vote unless there were any reasons they could not. Chairperson, J Knowles invited members present to provide any reasons the three members could not be re-elected. There being none, the Chair declared them re-elected.

8. Members Questions

Chairperson, J Knowles, opened the floor to questions.

P Barratt raised two questions. This first being whether the Association would consider adopting Aberdeen City Council's practice of Customer Service Team members dealing with complaints. Responding the Chief Executive advised the Association has in place a robust complaints process which sees complaints dealt with by the relevant service. His suggestion would however be considered and the outcome reported to him directly.

In response to the second question regarding whether the Association would return to development, the Chief Executive informed members a consultant has been engaged to look at the Association's strategic direction which will consider a return to development as well as other opportunities such as upgrading / refurbishing the current stock and acquisitions. The consultant's report will be presented to the Board of Management in November and used to inform the Association's Business Plan.

In response to the question raised by C Lynch regarding what assistance is being provided to tenants with regard to the cost of living / energy crisis, the Director of Housing reported the Association had been successful in obtaining £61,000 of grant funding to provide fuel assistance. Members were assured the Association is vigilant and proactive in sourcing and submitting applications to available funds.

A number of questions had been submitted in advance of the meeting by K Hutchens. These had raised his concerns regarding the current economic crisis and the significant impact it is and will have on tenants, particularly those who are not and will not be eligible to claim benefits. The questions had been responded to in writing. However given the serious nature of the topic, Mr Hutchens had asked there be formal discussion during the meeting.

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

There followed extensive discussion on the issues raised with assurance being given that although there are matters which are out with the Association's control and some of the data is currently unknown i.e. rate of inflation, the Association, very aware of the challenges, will ensure, as is normal practice, tenants are at the heart of the decision-making process with focus groups and full tenant consultation taking place on the rent increase.

Acknowledging the point made with regard to lobbying the Scottish Government in respect of a rent cap, the Chief Executive reported the Association has been in discussion regarding this and would, within the lobbying guidelines, lobby via the SFHA (Scottish Federation of Housing Associations).

The questions and suggestions put forward by Mr Hutchens will be presented to the Board of Management discussed in detail.

9. Guest Speaker: Claire Donovan, Head of Policy, Research & Campaigns, End Furniture Poverty

C Donovan delivered a PowerPoint presentation on the work being carried out by End Furniture Poverty. The presentation was well received and was followed by a question-and-answer session.

2022 AGM Chair's Report

Good afternoon, ladies and gentlemen.

I want to personally issue a warm welcome to you all for taking the time to join us for Langstane Housing Association's 44th AGM. And my last as Chairperson for Langstane Housing Association.

I think I say each and every year when I give you my report, this has been a challenging year. We thought 2020 was particularly challenging when the pandemic took hold, bringing with it once in a lifetime challenges. Then when we neared the end of 2021, we were more optimistic feeling things must get better. Little did we know.

As history will testify, 2022 is proving to be equally challenging, if not worse, than the previous two years. It is rare for global events to touch every part of our activities. Affecting our tenants, our business and ourselves but the cost of living crisis is hitting us all.

Langstane prides itself on delivering homes and services for those households, many of whom are single person households, who cannot access housing on the open market.

Those we serve can often have a more transient lifestyle with the need to move for work and family commitments. This means our homes become vacant more often, and our rent arrear levels can be higher than those of our peers.

With the pandemic not yet finished disrupting and unfortunately, on occasion, directly affecting our lives, and despite employees doing a sterling job, these issues became magnified in 2021-22. This is only worsening as cost of living increases take hold.

Despite all of the challenges faced, our tenants were happier with the:

- opportunities they were given to participate in decision making;
- how we kept them informed about things that mattered to them;
- about the neighbourhoods they live; and
- about the value for money they received.

We recognise we still have work to do as satisfaction with our repairs and overall satisfaction levels are below where we want them to be. This is why we embarked on a modernisation programme that is nearing its end.

We undertook a staffing structure review and now have the right people, in the right role, paid at the right level for the role undertaken, keeping Langstane competitive with market conditions. These changes are being linked to our performance framework and every employee is expected to deliver for our tenants.

We introduced a new customer service team. The team action straightforward repairs and customer enquiries and have been instrumental in driving up customer satisfaction.

During the year we undertook more repairs than usual – 6,900 non-emergency repairs compared to 5,500 on average the previous three years.

Major work contracts restarted. We carried out heating system upgrades, installed a number of new kitchens and bathrooms, and carried out extensive communal decoration. However, we were not immune to material shortages and difficulties accessing homes due to the pandemic. Material costs rose with timber, metal and ventilation products being the hardest hit.

We focussed on tenant safety works during the year. Smoke detection installations and Electrical Inspection Condition Reports were undertaken, alongside gas servicing, lift safety, fire safety, water hygiene and play park safety works.

Keeping tenants and employees safe continues to be a priority for Langstane.

Recognising our People are our strength, Langstane is committed to ensure we have strong leadership; our communication is timely and relevant; we develop our employees and governing body members; we engage with our people to ensure they contribute to our future; we recognise and celebrate good work; and we ensure work is a safe place that supports and enhances wellbeing.

We have made excellent progress in updating our IT and communication systems. We're now Cloud based! This has taken some adjustments as new technology is embraced. A last push will be undertaken in the coming months to ensure we deliver a Cloud-based integrated housing and finance system.

We achieved our £5m efficiencies agenda set in 2019, two years ahead of schedule. Whilst it is sometimes difficult to say anything positive about the Covid-19 pandemic, we were inadvertently assisted in reducing our running costs by the pandemic. We'll not dwell on that.

As practically every business has experienced, we have challenges that need to be faced in the coming months and years. Some of the challenges are within our gift to control whilst other are not. Some will affect not just our Organisation but our Tenants, our Homes, our People, and our Communities.

At a time when the global economic climate is in crisis, and we are facing increased costs and regulatory requirements whilst our customers can least afford increases, rent affordability is another Langstane priority. We must find a way to square that circle to ensure we continue to deliver the valuable services our tenants want and need and to meet the legal and statutory requirements set down by Government(s).

You will see from our audited accounts, the Association reported a surplus position as at 31 March. However, this does not always equate to money in the bank. We have significant loan conditions that need to be met and we have delayed works that need to be progressed. That said, I can confidently confirm we are definitely heading in the right direction.

During the year we were delighted to be advised our Pension Deficit payments ceased in September 2022. These might return in the future but for the moment we are delighted we can now use those funds to benefit our tenants.

Our subsidiary company, Langstane Property Limited, has equally had a challenging year as the private market in Aberdeen saw significant movement. The market is now picking up and giving us confidence that Langstane Property may be able to return to a gift-aid situation in the not-too-distant future.

It is very easy to see the challenges we face and be very negative.

However, there are opportunities we must grasp to ensure we flourish as an organisation and as a community anchor.

The quality of our homes is improving year on year. Our services are expanding. It is within our grasp to work collectively with others to improve the outlook for so many people.

Whilst we navigate our way forward, true leadership will shine and we will find our right path.

This is my last year as Chair, a time I have thoroughly enjoyed and a time I will never forget.

It hasn't always been the easiest of times, but now is a time to focus on what we have achieved, not what we've not been able to do. We have a new customer service team, a registered housing support service, our homes are well maintained and we provide services that make a difference to our tenants. We are looking at ways we can support and enhance the lives of our tenants and those around us.

I truly think Langstane has come a long way in the last five years and I'm looking forward to seeing the Association take the next steps in its journey. Although I'm stepping down as Chair, I will keep my connection with Langstane as I remain on the Board of Management.

I take this time to thank you all for the support you have given me over the last five years. In particular the Chief Executive and the Leadership Team and also my colleagues.

Thank you all for all your hard work and dedication.

James Knowles
Chair

DRAFT

Question: How is inflation affecting Langstane tenants?

Response: As you can imagine, everyone is affected by the rising inflation levels. However, it is difficult to quantify the levels. Foodbanks locally suggest their greatest increase is for pet food (that was in July so things may have changed) not necessarily for household items. The rates of housing benefit / universal credit have not significantly changed but tenants have indicated they are struggling to afford all their household costs.

Question: How is it anticipated the next rent increase will affect tenants?

Response: The Association always takes affordability into account before suggesting a rent increase. On several occasions now, the Association has introduced different increases across property sizes to reflect the disproportionate ability of single people to meet the costs of running their home.

Question: What steps are Langstane taking to keep the next rent increase below 10 per cent?

Response: The Association is not contemplating rises in the region of 10%. Any ability we have to increase rent levels as at 1 April will be carefully considered by the Board and kept to a minimum to reflect and recognise the significant challenges being experienced across our communities.

Question: What steps are the sector taking to minimise rent increases next year?

Response: No-one knows where inflation levels will be in the future. Langstane's policy is to take an average of inflation levels over the last twelve months and consider what activities have to be undertaken, then suggest a rental increase that is consulted upon. At present, Associations have still to work towards energy efficiency and net zero carbon targets as well as providing planned and reactive repairs to our homes. On many occasions housing associations also provide additional services that directly benefit the communities we serve?

Question: If the rent increase is in line with inflation will it cause problems for tenants NOT on Housing Benefit?

Response: The effect on tenants not on housing benefit / universal credit is taken into account when rent levels are considered. The Association is not a profit distributing organisation therefore every increase needs to be carefully thought through and applied after affordability is taken into account. There would be no doubt that any increase may cause an issue but the Association takes every opportunity to minimise any negative impact.

Question: Will the board commit to ensuring that tenants are offered two options for a rent increase both of which are below inflation?

Response: This cannot be answered until the Board has in front of them all the information they need to make an informed decision. However, I can say that every effort will be made to ensure this is the case.

Question: Will the board commit itself to a full and open debate about the next rent increase?

Response: Langstane's Board has had a full and open debate regarding rental increase levels during many budgetary discussions. The Association will, as always happens, follow

our statutory requirements to consult in a meaningful way with our tenants prior to any decision making by our Board.

DRAFT