

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

Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Monday 7 September 2020

Present: **J Knowles, Chair**
 J Fraser
 J Greener
 J Drummond
 K Hutchens
 C Lynch
 M Martin
 A Stevenson

In Attendance: **H Gauld, Chief Executive**
 M Ballance, Director of Asset Management
 L Macfarlan, Director of Finance and Corporate Services
 J Sutherland, Director of Housing
 L West, Executive Resource Consultant
 T Bright, RSM UK LLP
 A Bruce, PA to the Chief Executive (Minutes)

Apologies: **J Marshall**

The Board had been provided with a number of supporting documents made available to them in the Board Portal. For the record it would be recognised that members had considered and noted these as appropriate.

Member's questions/responses submitted in advance of the meeting would be made available in the Board Portal.

1. Apologies

The apology noted above was intimated to the meeting.

2. Declaration(s) of Interest

Notes of interest were made by J Greener - Item 23 and K Hutchens - Items 9 and 18.

3. Draft Minute - Board of Management - 27 July 2020

The Minute was approved subject to an amendment to the final sentence of the penultimate paragraph on Page 3.

4. Matters Arising

There were no matters arising.

5. Draft Minute - Governance and Financial Management Recovery Committee - 22 July 2020

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

6. Draft Minute - Health and Safety Group - 22 July 2020

The Board had considered and noted the Minute which had been available to view in the Board Portal. In reference to the poor attendance at Health and Safety meetings, it was reported the introduction of an organisational meeting protocol should improve this.

7. Draft Minute - Langstane Property Limited - 27 July 2020

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

8. Draft Minute - Joint Audit and Financial Management Committee - 4 August 2020

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

9. Statement of Outstanding Business

The Board reviewed the Statement, noting all items were either on the agenda or had target dates for future meetings.

10. Financial Reports to 31 July 2020

Members reviewed and noted the reports. The Director of Finance and Corporate Services reported there are no major concerns about rental income, all covenants are currently being met and arrears continue to be well managed. However income lost through voids had increased and is anticipated to further increase in August due to the reintroduction of lockdown restrictions in Aberdeen. Voids will be a key focus moving forward but it is anticipated that once normal service is resumed, the position should improve.

In respect of planned and cyclical maintenance, out turn for both is less than forecast and this has contributed to the higher than forecast surplus of £1,431,433. Looking forward to year end, it is assumed the planned maintenance programme will be delivered as forecast and once lockdown restrictions are lifted, the backlog of reactive repairs will be cleared. It is therefore anticipated surplus at year should be as forecast.

11. Annual Report and Financial Statements

The Board reviewed the Annual Report and Financial Statements for Langstane Housing Association Ltd. T Bright informed the meeting there was nothing in the document which needed to be brought to the Board's attention. [REDACTED]

The Board approved the document presented which would be signed on its behalf by the Chair, Vice Chair and Company Secretary and submitted to the relevant regulatory bodies.

12. Audit Findings Report – The Langstane Group

A Stevenson had submitted questions in advance of the meeting which had been responded to.

The Board considered the report presented. Speaking to it, T Bright referred members to the outstanding items to be resolved on Page 3. In respect of RSM UK's internal policy to carry out a second review of all audit work, this should be complete by the end of the week.



The Board noted the issue in respect of the reconciliation of RAM was historic and that work had been underway to complete a full reconciliation by October. Thereafter reconciliation would be carried out on a quarterly basis.

T Bright's attention was drawn to Page 5, Final Materiality and the figure shown for unadjusted difference of £88,000 which was significantly higher than the £20,000 reported in the draft report presented to the Joint Audit Committee and Financial Management Committee. It was agreed this would be reviewed and the report updated as required.

It was noted the issue of the over run of costs had still to be finalised. RSM would provide the Association with a breakdown of costs and as previously agreed, the Senior Management Team, under delegated authority, would agree the Association's contribution up to a maximum of 50% of the over run.

Subject to confirmation of the correct figure of the unadjusted difference, the Board approved the Langstane Group's Audit Findings report.

13. Langstane Property Limited – Annual Report and Financial Statements

The Board approved the Annual Report and Financial Statements which had been approved, in principle, by the Joint Audit and Financial Management Committee at its meeting on 4 August 2020. The document would be signed, on behalf of the Board, by the Chair and submitted to the relevant regulatory bodies.

14. Stockethill Homes Limited – Annual Report and Financial Statements

The Board approved the Annual Report and Financial Statements which had been approved, in principle, by the Joint Audit and Financial Management Committee at its meeting on 4 August 2020. The Annual Report and Financial Statements would be signed, on behalf of the Board, by the Chair and submitted to the relevant regulatory bodies.

15. Letter of Representation

The Board considered the Letters of Representation proposed to be sent on behalf of the Association to the auditors, for Langstane Housing Association Limited, Langstane Property Limited and Stockethill Homes Limited presented under Items 15.1 to 15.3 respectively. K. After brief discussion on their terms, the Board approved the letters which was signed, on behalf of the Boards of Management, by the Chair and sent to RSM UK.

16. Letter of Confirmation

The Board approved the Letters of Confirmation which detailed the inter-company transactions between the parent, and Langstane Property Limited and Stockethill

Homes Limited presented under Items 16.1-16.2. The letters would be signed, on behalf of the Board, by the Chair, a Board member and the Company Secretary.

17. Debit and Credit Write Off Report – as at 7 August 2020

The Board approved the write off of former tenant debt in the sum of £5,632.04.

J Drummond joined the meeting.

18. Chief Executive's Update Report

The Chief Executive provided the Board with updates on Items 1 and 6 and highlighted the information reported under Item 8. In respect of Item 1, the Chair, on behalf of the Board, thanked the Senior Management Team and staff for the work done over the last two years. He advised however the Engagement Plan would not be the culmination of those efforts and work would continue to ensure the processes put in place to address the Regulator's concerns are embedded in working practices and culture of the Association.

Members discussed the proposal detailed under Item 5 – Housing First. Having noted the successful sustainment of tenancies arising from five out of the previous six properties provided to the Housing First consortium, the Board agreed to the proposal to deviate from the Allocation Policy and provide a further six properties.

19. Executive Resource Consultant – Consultancy Phase 2, Position Statement and Action Plan

The Board considered the update report, and accompanying appendices, namely Appendix 1 – Position Statement and Appendix 2 – Action Plan both as at 1 September.

L West updated the Board on work he was progressing in respect of the review of governance policies, the brief for the HR consultancy to assist with the modernisation programme and on the governance manual.

Following brief discussion on the modernisation programme, the Board approved the report.

20. Strategic Risk Register, 2020-2021 Quarter 1

The Board reviewed the Quarter 1, report and accompanying Appendix 1 – Summary of Main Risks presented and had considered and noted Appendix 1 - the full Strategic Risk Register which had been available to view in the Board Portal.

A Stevenson had submitted questions/ comments on this paper in advance of the meeting. In respect of her suggestion the Association consider using STEEPLE analysis (Social, Technological, Economic, Environmental, Political, Legal and Ethical), the Chief Executive advised this would be incorporated in the Risk Management Policy which would be discussed on the agenda under Item 23.2.

Following brief discussion on the impact on the Association of Brexit and possible Scottish independence, the Board noted the documents presented.

21. Covid-19 Update

The Board reviewed and noted the report, discussing in particular, Items A1, A2, A4 G3, S7 and I3. In respect of the latter, a report on progress of the ICT infrastructure would be presented to the Joint Audit and Financial Management Committee on 15 December 2020.

The Chief Executive informed the Board a summary of the impact of the pandemic on operational services would be provided in the mid year review which would be presented to the Board's October meeting.

22. Committee Membership

The Chief Executive informed the meeting this item had been placed on the Agenda to seek Board opinion on proposed changes to the Committee structure. Two key members of the Joint Audit and Financial Management Committee would be standing down at the AGM, reducing membership. With the Governance and Financial Management Recovery Committee overseeing a significantly reduced action list it would be her suggestion the Committee be disbanded and all outstanding actions taken forward by the Audit Committee under an enhanced remit. The Chief Executive further proposed an additional Resource Committee which although a permanent committee, would only meet on an ad hoc basis.

In respect of membership, Board members were asked to forward any recommendations for prospective members to the Chair / Chief Executive. Discussion ensued on the Board profile which is being progressed by L West. This would identify any skills gaps to enable targeted recruitment of members. The Association would wish to recruit and have in place a committed, diverse range of Board members with the appropriate skill set. It was agreed the Board would be provided with a report setting out the proposed structure and detail of the recruitment process.

23. Strategy and Policy Review Report

The Board considered the covering report which detailed the changes to the strategy and policy documents presented under Item 23.1 and 23.2.

23.1 Draft Tenancy Sustainment Strategy 2020-2023

The Board considered the report and strategy presented and had considered and noted the outcome of the tenant consultation which had been available to members in the Board Portal. Subject to the suggestion that Section 7 – Ageing Population, should include enhanced interaction with older tenants, the Board approved the strategy.

23.2 Draft Risk Management Policy V4

The Board had considered and noted the policy which had been available to view in the Board Portal. Following brief discussion, the policy was approved subject to the amendment to replace reference to the PEST analysis (Political, Economic, Social, Technological) analysis currently used, with STEEPLE analysis (Social, Technological, Economic, Environmental, Political, Legal and Ethical) referred to under Item 20 which was felt to be much more relevant to the Association.

24. AOCB

The Director of Asset Management reported on the impact the recent flooding had on properties at Fraser Court, Marischal Street and Charlotte Gardens, Aberdeen. The

Board thanked staff for their excellent response and was pleased to note the Association has already recognised flooding may be something it will have to deal with on a more frequent basis in the future. In this respect, staff are currently incorporating lessons learned and updating procedures to ensure the Association's response is further improved.

In accordance with the Association's Rules, Members were advised the meeting had already been in progress for 2 hours. The Board agreed to continue.

The Board was reminded this would be K Hutchens and C Lynch's last meeting as both would be resigning at the AGM. The Chair, on behalf of the Board, wished to thank both for their dedicated service to the Association over many years which would be commemorated in due course.

25. Date of Next Meeting

21 September 2020 at 12.30pm