

Minute of the Board of Management Meeting of Langstane Housing Association Limited held on Monday 16 March 2020 at 680 King Street, Aberdeen, AB24 1SL

Present: J Knowles, Chair
J Greener
J Drummond
C Lynch
J Marshall
M Martin

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 and Social Justice
L West, Executive Resource Consultant
E Byrne, Arneil Johnston
A Bruce, PA to the Chief Executive

Apologies: J Fraser
K Hutchens
I Jamieson
A Stevenson

E Byrne provided the Board with a power point presentation outlining the key findings and areas of risk identified in Arneil Johnston's review of the Association's Compliance with Regulatory Standard 3. Having carried out a comprehensive review of the fundability, viability and sustainability of the Association's Business Plan, reviewed cash flow, rental affordability, debt affordability and reviewed its investment and efficiency plans it concluded the Business Plan to be financially viable. There are risks and assumptions which the Board are aware of. These include the plan is predicated on ambitious efficiency plans, the refinancing of the Revolving Credit Facility in 2023, and the ambition to increase rental by CPI only from year 5 onwards.

E Byrne acknowledged and commended the Association on the significant amount of work carried out to comply with Standard 3. Although there were no issues arising from the review of the evidence provided, it was too soon to confirm some of the measures put in place are fully embedded. The review concluded the Association to be fully compliant with four out of the seven Guidance Notes and working towards compliance with Guidance Notes 3.1 – 3.3. Had the review been a year 'down the line' and current working practices continue, the Association would be deemed fully compliant.

The Board was reminded there had been discussion at the earlier meeting of the Governance and Financial Management Committee regarding the "late" issue of financial reports to the Board. The Committee and the Board confirmed the issue was merely one of timing. It is not possible to produce the accounts and for the Senior Management Team to review them in time for them being included in the monthly Board papers. For the time being there is a requirement to hold monthly meetings and the Board confirmed it is comfortable with the financial reports being issued after the main papers have been circulated. It may be the timing of meetings would be reviewed but for the time being, the Board is pleased with progress to date and the timing of the reports.

There followed a robust question and answer session and discussion on the key issues which included the skills and effectiveness of the Board. With regard to the latter, E Byrne

was assured members have the requisite skills and expertise to challenge the information provided by senior staff and are confident they can carry out their duties effectively.

The Board noted the report.

1. Apologies

The apologies noted above were intimated to the meeting.

2. Declaration(s) of Interest

There were no declarations of interest.

3. Draft Minute of Board of Management Meeting held on 24 February 2020

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

4. Matters Arising

4.1 4.1 – Mid Year Financial Reviews – The Board noted, Kevin Stewart MSP, had not responded to the Association's letter raising concerns about Universal Credit.

4.2 4.2 – Disposal – It was reported there had been no further viewings of 69-71 Crown Street, Aberdeen.

4.3 4.4 – Financial Reports to 31 December 2020 – The Board noted the Scottish Government loan used to purchase the Young Women's Christian Association had been repaid.

4.4 4.5 – 10 Chief Executive's Report – Arising from discussion it was noted negotiations with Unite Union, regarding the annual cost of living increase had still to be finalised.

4.5 5 – Draft Minute of Board of Management Meeting of Langstane Property Limited held on 20 January 2020 – The Board noted, to date, there had been no response from anyone on the Register of Interested Tenants regarding establishing a tenant group.

4.6 6 – Draft Minute of Health and Safety Working Group held on 22 January 2020 – It was reported a member of staff is temporarily taking on some of the HR Manager's workload and would attend the working group on a temporary basis.

The Director of Asset Management reported there is provision in the 2020-21 Budget for replacing flat doors with fire doors following forced entry.

4.7 13 – Chief Executive's Update Report – The Admincontrol Board Portal has been purchased. Staff training is being arranged with Board training following thereafter. The portal will be operational at the beginning of the new financial year.

5. Draft Minute of Joint Audit Meeting held on 25 February 2020

The Board noted the Minute. The Chief Executive informed the meeting she had yet to make contact with A Stevenson regarding whether or not she wished to join the Joint Audit Committee.

Referring to Item 14.1 – Welfare Reform, it was noted no particular measures have been put in place so far by the DWP in respect of coronavirus although it was noted tenants will not be sanctioned if they are unable to attend DWP appointments. The Association will be contacting vulnerable tenants to offer advice. It was agreed the Association follow up on the correspondence sent to Kevin Stewart MSP as the impact on the Association of welfare reform may well worsen due to the Covid-19 coronavirus.

6. Statement of Outstanding Business

The Board noted the Statement. With regard to Item 11, ISO 9001, the Chief Executive clarified it had previously been agreed the Association would adopt the principles rather than gain ISO accreditation which is quite onerous.

7. Financial Reports to 29 February 2020

The Director of Finance and Corporate Services confirmed the financial reports would be reviewed by senior staff the following day and circulated to the Board thereafter.

8. Write-Off Report

The Board approved the write-off of former tenants' arrears in the sum of £36,982.12 and noted sequestrations for January and February 2020 to the value of £5,583.97.

9. Modernisation Programme

The Board considered the report and appendices which detailed the original and proposed staff structure. The proposed structure had been discussed with the Middle Managers and with the Union who had asked to be included in the discussions at an early stage. The modernisation would be the subject of high level discussion at the forthcoming staff development session on Wednesday 18 March when it would be emphasised the structure is a proposal and would be subject to staff consultation. It was agreed the report be changed in a number of areas to ensure the Association has flexibility e.g. the table removed.

Some discussion ensued on the changes that would be taking place from 1 April 2020 (these changes were out with the modernisation programme), which included Property Services transferring to the Director of Asset Management and the Reception Team temporarily transferring to the Director of Housing.

It was proposed there would be a phased approach to generic working for officers within certain teams (which would be dependent on training and performance monitoring), and the introduction of a customer excellence team which would replace the current corporate services team.

J Marshall confirmed it would be the Board's expectation the structure be cost neutral.

The Board approved the report subject to the required changes as discussed, and that formal consultation with staff would start after the overview provided on Wednesday. The Board will be provided with regular updates.

10. Proposed Disposal of 17 Granton Place, Aberdeen

Having considered the report, the Board approved acceptance of the revised offer of £150,000 for 17 Granton Place and further approved the Senior Management Team renegotiate any future revisions to the Heads of Terms.

11. Chief Executive's Update Report

The Board noted the Chief Executive's update report and verbal update on recent discussions with the Scottish Housing Regulator and the current situation with regards to the impact of coronavirus and the measures being put in place to safeguard tenants and staff.

Arising from discussion it was agreed the Risk Register will be revised to include coronavirus as a specific risk and sensitivity analysis undertaken.

12. Policy and Strategy Review

12.1 Business Plan 2020-25

The Board approved the changes to the Tenant Participation Strategy section of the Business Plan since it had been approved on 20 January 2020.

12.2 Funding Strategy 2020-21

The Board approved the change to the title of the document and the updated information on the percentage of unencumbered stock approved the Funding Strategy 2020-21.

12.3 Entitlements, Payments and Benefits Policy V1.3

The Board approved the updated Policy having noted there were no amendments to the Policy other than the inclusion of the Group logo and the correction of a minor typographical error on Page 9.

Entitlements, Payments and Benefits Policy – Appendix 1 - Contractor, Supplier and Consultant List V1.3

The Board approved the contractor list being updated after 31 March 2020 and annually thereafter.

Entitlements Payments and Benefits Policy – Appendix 2 Payments That Can and Cannot Be Made V1.3

The Board having noted there were no amendments, approved the document.

12.4 Information Security Policy V2

The Board, having noted the Policy had been updated to reflect the use of external portals to hold group information and the introduction of the intranet, approved the update policy.

12.5 Staff Handbook V1.3

The Board noted the changes to the handbook, highlighted in red, in respect of compassionate leave i.e. parental bereavement leave (Jack's Law and funerals),

paternity leave and computer security. The Board approved the Policy which would be forwarded to the Unite Union for comment.

12.6 Sustainability Strategy 2020-2025

The Board noted and approved the new strategy document which would now be the subject to tenant and staff consultation.

12.7 IT Disaster Recovery Plan V1

The Board noted the changes to the list of key contacts and approved the policy.

13. Executive Resource Consultant – Business Recovery Plan and Position Statement – Update Report

The Board considered and approved the report and position statement which had been the subject of detailed discussion at the Governance and Financial Management Recovery Committee meeting earlier in the day.

14. Remit of the Governance and Financial Management Recovery Committee

The Board approved the remit which had been approved, in principle, by the Governance and Financial Management Recovery Committee at its meeting earlier in the day.

15. Remit of the Joint Audit and Financial Management Committee

The Board considered the revised remit which had, following consultation with the Joint Audit Committee, been updated to include financial management. This would enable key financial matters such as the budget to be given a greater level of scrutiny.

The Board approved the remit which would be presented to the Joint Audit Committee at its next meeting.

16. AOCB

There were no matters raised under this heading.

17. Date of Next Meeting

The next meeting is scheduled to take place on 21 April 2020; this and all Board and Committee meetings, for the foreseeable future, will be virtual meetings.