

**Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Monday 18 May 2020 at 12.30pm**

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

**In Attendance:** H Gault, 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  
A Bruce, PA to the Chief Executive (Minutes)

**1. Apologies**

There were no apologies.

**2. Declaration(s) of Interest**

K Hutchens noted an interest in Items 8, 9.1 and 12.

J Greener noted an interest in Item 9.1.

**3. Draft Minute of Board of Management Meeting held on 27 April 2020**

The Minute was approved as an accurate record subject to an amendment to the sederunt to reflect I Jamieson's attendance at the meeting.

*J Drummond joined the meeting.*

**4. Matters Arising**

4.1 4.2 – Fire Doors – The Director of Asset Management reminded the meeting of the difficulty in obtaining a contractor to carry out the work during lockdown. To ensure a tender is issued and the fire doors installed as soon as practical, a member of staff is currently carrying out a survey on the properties deemed to be at higher risk.

*J Marshall joined the meeting.*

4.2 8.1 – Financial Reports to 31 March – In response to the question regarding the “investment” referred to in the extract of the Treasury

Management Policy, the Chief Executive informed the meeting this referred to the Association's deposit account rather than an investment.

4.3 – 14 – Covid-19 Report – The Director of Finance and Corporate Services reported the Association had received information from its insurers regarding cover whilst on lockdown and their recommended measures have been followed to ensure compliance.

4.4 – 16 – Strategic Risk Register Quarter 4, 2019-20 – The Chief Executive reported there is currently no provision in the Rules for a virtual AGM, consideration is currently being given to how this will be held and a report would be presented to the Board at a future meeting.

4.5 – 18 – Tender Register – A point of clarification was provided by the Chief Executive on the wording of this item.

## **5. Statement of Outstanding Business**

The Board considered the Statement, noting all of the items with a target date of 18 May 2020 were included on the Agenda. In response to K Hutchens question, submitted prior to the meeting, the Chief Executive provided an explanation of the ISO9001 standard and advised the Association would be adopting the principles as opposed to seeking full accreditation.

## **6. Financial Reports to 30 April 2020**

The Director of Finance and Corporate Services reported verbally on the financial position at the end of the first few weeks of the financial year. Savings had been achieved on direct costs and overheads with the result being a favourable variance on budget of £183,597. All of the covenants had been met and the cash balance stood at £3.22m.

## **7. Write Off**

The Board considered the write off report and attached appendix. Two questions had been submitted prior to the meeting. Responding to the first from I Jamieson, the Director of Housing provided the Board with a summary of the former tenant debt currently carried by the Association and confirmed that the debt collection company were currently holding approximately £166,000 of former debt for trace and collect. While the current write off figure was low for April it was likely this would increase as tracing of former tenants failed. In respect of the second question from C Lynch, the Director provided the background to the write off in respect of rent account number 54849.

*K McIntosh joined the meeting.*

It was noted I Jamieson could not gain access to the meeting. The meeting invite was re-issued.

## **8. Chief Executive's Update Report**

The Board considered and noted the update report and appendices. Arising from Item 2 – Lenders, the Chief Executive reported that, as the result of an error on the part of Santander, the Association had only made one capital payment when two had been scheduled. Santander has requested deferral of the loan repayment until 31 August 2020 to give them time to sort out their system. Following approval by the Chair, the Association agreed. It was noted the Association had to pay the legal costs of this deferment under the terms of the loan.

*I Jamieson joined the meeting.*

It was reported tenant consultation is currently being carried out in respect of the proposed Value for Money Statement. The outcome of the consultation would be reported to the Board at a future meeting.

## **9. Policy and Strategy Review**

The Board considered the report which set out the detail of changes made to agenda Items 9.2 – 9.4.

### **9.2 Recruitment Policy V3**

The Board considered the Policy presented, noting the changes made detailed under Item 9. Following lengthy discussion, the Board approved the Policy presented subject to it being further updated to reflect members' comments made during the meeting and submitted via the virtual meeting pro forma prior to the meeting.

### **9.3 Redundancy Policy V3**

The Board considered the Policy presented, noting the changes made detailed under Item 9. Following lengthy discussion, the Board approved the Policy presented subject to it being further updated to reflect members' comments made during the meeting and submitted via the virtual meeting pro forma prior to the meeting.

### **9.4 Retirement Policy V3**

The Board considered the Policy presented, noting the changes made detailed under Item 9. Following lengthy discussion, the Board approved the Policy presented subject to it being further updated to reflect members' comments made during the meeting and submitted via the virtual meeting pro forma prior to the meeting.

### **9.1 Result of Planned and Cyclical Maintenance Policy V2 Tenant Consultation**

The Board considered the outcome of the tenant consultation carried out following its approval of the Policy on 20 January 2020. The Director of

Asset Management in speaking to the report highlighted the concern raised in respect of changes to the component lifecycles which would see tenants waiting longer for kitchens replacements and communal decoration programmes. Taking on board the feedback, the policy presented set out a more flexible approach to component replacement so those deteriorating early can, under certain circumstances, be replaced ahead of the planned replacement date.

Responding to a question, the Director provided some comparison on the Association's component lifecycles with other Registered Social Landlords.

In respect of the question raised regarding how the change in lifecycles would impact on depreciation, the meeting was informed this would be looked at over the coming year.

Having considered the report, the Board approved the changes to the Planned and Cyclical Maintenance Policy V2 as presented.

## **10. Annual Return on the Charter 2019-20 – Presentation**

The Director of Housing presented slides detailing the key performance indicators from the Annual Return on the Charter submission attached as Item 10.2.

### **10.1 Annual Return on the Charter 2019-20 – Summary**

The Board noted the summary report presented.

### **10.2 Annual Return on the Charter 2019-20**

The Board approved the Annual Return on the Charter 2019-20 and its onward submission to the Scottish Housing Regulator.

## **11. Executive Resource Consultant – Business Recovery Plan and Position Statement – Update Report**

The Board considered the update report and appendices, namely Appendix 1 Position Statement and Appendix 2 – Business Recovery Plan, both documents as at 12 May 2020.

L West in summarising the work done since the last meeting, referred members to the last three bullet points of Item 2.5 on the Position Statement. These detailed the work on the Internal Management Plan (IMP), the Annual Planning Calendar and the Business Recovery Plan. L West reported the IMP had been reviewed and updated to incorporate remaining business improvement activities from the Business Recovery Plan. The IMP would be presented to the Joint Audit and Financial Management Committee on 2 June 2020.

In addition the Annual Planning Calendar, primarily a working document, had been updated to include recurring business activities. In respect of the

Business Recovery Plan this now detailed the outstanding actions for April and May and comprised of around 1-2 days of work for L West to undertake. It was noted discussions would be held after the meeting on the future of the executive resource consultancy and the outcome reported back to the Board.

The Board was pleased to note the significant progress made. Responding to M Martin's question, L West advised the meeting that beyond the work he has carried out, there remain three key actions. All three are mid to long term projects with timescales of 1-3 years. The first being to sustain the compliance work, ensure staff are available to take ownership of the process and get systems embedded. Secondly, the Association needs to progress the modernisation programme, albeit this will be delayed due to the pandemic. Lastly, the IT project needs to be taken forward.

## **12. Covid-19 Update**

The Board considered and noted the comprehensive report which detailed the impact of Covid-19 on the Association's business activities. The Chief Executive in speaking to the report drew Board attention to the information provided on staffing (homeworking, health and well being), IT, financial risks and mitigating action (the Board was pleased to note all financial requirements are being met), the efficiencies agenda (it was reported an offer is anticipated on the property at 51-53 King Street, Peterhead. Should a formal offer be received, a meeting of the Emergency Committee would be called).

In respect of the financial impact of Covid-19, it was reported, the submission of the restated Five Year Financial Plans would be presented to the Board for approval in July.

Concern was raised in respect of the information provided on "going concern" which has been discussed with the Association's external auditors RSM UK. More information on this is anticipated in the next couple of months however it is expected the auditors will be looking to ensure the Association has put in place robust mitigating actions to ensure its financial viability.

Further attention was drawn to the impact on health and safety requirements i.e. routine legionella and asbestos checks and on how the Association is dealing with anti social behaviour.

## **13. AOCB**

The Board gave delegated authority to the Emergency Committee to deal with the offer for the property at 51-53 King Street, Peterhead when received.

## **14. Date of Next Meeting**

15 June 2020.