

Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Wednesday 15 June 2022 at 12.30pm

Present: J Knowles
J Fraser
A Habib
I Jamieson

In Attendance: H Gauld, 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)

Apologies: J Drummond
M Martin
A Stevenson
G Urquhart

Board members had met in camera prior to the start of the meeting to discuss a matter referred by the People Committee which had met on 13 June 2022.

Members were informed J Greener and M Keith had recently stepped down from the Board. As such it would be helpful to know in advance if any of the remaining Board members intended stepping down at the Annual General Meeting. This would enable a targeted recruitment exercise to take place to fill any skills gaps.

1. Apologies

The apologies noted above were intimated to the meeting.

2. Declaration(s) of Interest

There were no notes or declarations of interest.

3. Draft Minute – Board of Management – 20 April 2022

The Board approved the Minute as an accurate record subject to the amendment to the sederunt to include J Fraser.

3.1 Matters Arising

3.1.1 9 – The Chief Executive reported there had been no further discussions with GREC regarding its leasing of office space at 680 King Street.

3.1.2 8 – The Board noted the 5 year financial plan had been submitted to the Scottish Housing Regulator (SHR) by the deadline of 31 May 2022.

4. Draft Minute – Board of Management – 17 May 2022

Due to its confidential and sensitive nature, the minute would not be circulated until the staff consultation process was completed. Due to the Board's summer break, the minute would be circulated, for approval, by email.

5. Statement of Outstanding Business

The Board noted the statement. With regard to Item 1, the Chief Executive advised the Association would, in due course, be moving to Microsoft Teams which may mean the Board Portal would be replaced and consequently alternative training requirements would be put in place.

It was agreed agenda Item 13 would be discussed next to ensure A Habib could take part in the decision making process.

13. Annual Assurance Statement

The Board considered the covering report and Appendix 10, the Annual Assurance Statement. Appendices 1-9 had been available to view in the Board Portal and had been analysed in detail by the Joint Audit and Governance Committee on 7 June. The Committee having considered the covering report and appendices had agreed the documentation evidenced the Association's compliance with the Scottish Housing Regulator's regulatory standards. As such it recommended the Board of Management approve the Statement.

Decision: Having considered the documentation and noted the recommendation made by the Joint Audit and Governance Committee, the Board approved the Annual Assurance Statement and authorised it be signed by the Chair, on behalf of Langstone Housing Association Limited and its subsidiary companies and submitted to the SHR as soon as practical thereafter and by the deadline of 31 October 2022 using the official notification process.

6. Efficiencies Report

The Board considered the report which set out in detail the efficiencies made during the 5 year efficiencies agenda. Highlighting the overall efficiencies achieved, the Director of Finance and Corporate Services referred members to page two of the report. Speaking to it, the Director highlighted the savings achieved in respect of staff costs, procurement, housing collections rates, corporate costs and sale of assets. The Board noted there would also be ongoing ICT efficiencies.

Although the first three years of the efficiencies agenda exceeded expectation, the delayed sale of the Spital along with increased costs arising from the economic crisis and higher rent arrears and void losses meant that overall, the efficiencies agenda was slightly behind its overall target.

Looking forward, the Association want to embed a more dynamic and positive attitude towards efficiencies and link "getting the best we can" to the Association's vision "to be the best we can be". With that in mind it is proposed a more proactive "value for money" approach be taken. The Board was informed value for money achievements would not only continue to be reported on a regular basis to the Board within the financial report but would also be reported outwardly to tenants.

The proposal engendered robust debate, following which the Board, assured value for money would continue to be a focus and a mechanism would be put in place for end of year reporting agreed the following:

Decision:

- *Noted the efficiencies achieved to date;*

- *Agreed all future updates on efficiencies would be reported within the financial reports; and*
- *Approved the proposal to remove the efficiencies agenda whilst a concerted effort is made by the Association to deliver value for money across all areas of its operation.*

7. Annual Treasury Report

The Board considered the report which provided information on the treasury arrangements, activities and performance for the financial year. This comprehensive report, independent of other reports, provided an account of the use of resources to provide assurance to the Board of the Association's compliance with its Treasury Management Policy.

Speaking to the report, the Director of Finance and Corporate Services highlighted a number of key areas which included, amongst others, a summary of debt, loan position, the loan repayments, interest payable and receivable, the cash position, all as at 31 March 2022, as well as the main treasury management risks. The Board was informed there were no major concerns with regard to compliance with treasury policy, levels of cash flow or with compliance with lenders requirements.

Discussion ensued on interest rates, unencumbered stock and the revaluation of secured properties and the impact of the economic climate, current and future, on the Association and its tenants. With regard to the latter, the Board was assured the Association would continue to carefully monitor the situation and regularly stress test the financial model.

Decision: The Board having noted the report was assured Langstane is operating in accordance with good treasury management practice.

8. Progress Report and Draft Accounts to Year Ended 31 March 2022

The Board noted the Director of Finance and Corporate Services verbal report on the progress of the audit process; all information, required by the auditor, would be provided by 24 June ahead of the audit commencing on 27 June.

9. Loan Portfolio Annual Return 2021-22

The Board considered the Loan Portfolio Annual Return which reported on the Association's loans, covenants and interest for financial year ended 31 March 2022. The information provided, reconciled with the management and auditor's accounts.

The Director of Finance and Corporate Services reported there had been no requirement during the financial year to submit an "in year" return. Additions to this year's return included the capital repayment on loans and the updated valuations on properties.

Decision: The Board having noted there were no matters of concern that needed to be brought to its attention, approved the return and its onward submission to the SHR by the deadline of 30 June 2022.

10. Chief Executive's Update Report

A Habib left the meeting.

Post Meeting Note: All decisions made from this point onwards would be ratified at the next Board meeting.

The Board considered and noted the report. Speaking to each of the items, the Chief Executive drew particular attention to the items presented for approval, namely items 10.1, 10.8 and 10.9.

Decision: Item 10.1 - The Board approved changes be made to the Scheme of Delegation to reflect the Stock Profile Return would be submitted, separate from the Annual Return on the Charter, to the SHR by the Corporate and Governance Manager by mid May each year.

Decision: Item 10.8 - Noting it was not possible to add Chairperson J Knowles to the authorised bank signatories as previously agreed, the Board approved the proposal that the signature of legal documentation would remain a delegated duty of the serving Chairperson within the Scheme of Delegation.

Decision: Item 10.9 - The Board noting the delays in receiving and updating information required by the consultant carrying out the work which would inform the Association's strategic direction, approved delaying presentation of the final report beyond the original date set of 16 November 2022.

The Board having noted the delayed timeframe for the project would impact on the timescale set for the Association's long term funding strategy, agreed as 31 May 2022, approved the suggested delay until the end of November 2022.

11. Business Plan 2020 - 2025, Internal Management Plan

The Board considered and noted the plan which highlighted all changes in red. The Chief Executive reported a number of actions were now embedded practice and would therefore be removed from the document.

12. Annual Strategy Update

The Board considered and noted the report which provided a summary of the content of the Association's strategies, the timescale for review and the progress against the action plans.

Members' attention was drawn to the Asset Management Strategy which would be updated following the outcome of the consultancy work to inform the Association's strategic direction and to the Communications Strategy which would be presented for approval at a future meeting. Arising from the discussion on the latter, J Fraser provided a media contact he had recently been introduced to. The information would be passed to the member of staff responsible for PR and communications.

14. Business Planning Framework

The Board considered the document which showed all changes, in the main minor in nature, as tracked changes. The Chief Executive drew Board attention to the one significant change, that of the revised timespan for a full strategic options appraisal from five to ten years.

Decision: The Board approved the Business Planning Framework as presented.

15. Succession Planning

The Chief Executive reported the Association would be carrying out a Board recruitment exercise in the near future. With this in mind it was reiterated it would be useful for the remaining Board members to intimate their intentions with regard to their membership. This would ensure recruitment would be targeted to new members with the requisite skills to fill any gaps left by resigning members.

There followed discussion on the preferred platform for future meetings i.e. hybrid, in person or remote and to members who this year would be affected by the nine year rule. Following I Jamieson's intimation he wished to continue to serve on the Board, the Board noted the Chief Executive's verbal report.

16. Board Meeting Schedule

The Chief Executive reported that in order to ensure the meeting schedule Board / Committee met all members' needs, the Board would be contacted shortly and asked to submit their preferred meeting days and times. Arising from the discussion, members were informed the Board meeting scheduled for 19 October would, due to conflicting diary commitments, be rescheduled and members notified of the revised date in due course.

17. Langstane Group Insurance Renewal

The Director of Finance and Corporate Services reported the meeting scheduled to take place earlier in the week with Marsh, the Association's insurance brokers, had been cancelled. Consequently, Board approval was sought to give delegated authority to the Leadership Team to approve the Group's annual insurance renewal. A full report would be provided to the Board's next meeting on 24 August 2022. However, the Director advised initial discussions had suggested that due to inflation and cost of materials, the cost of property insurance may increase. Cyber insurance may also be subject to an increase however this may be mitigated by the savings achieved from the infrastructure migration to the cloud.

Decision: The Board approved the request to give delegated authority to the Leadership Team to approve the insurance renewal for the Langstane Group.

18. Draft Minutes

18.1 Approved Minute – Joint Audit and Governance Committee – 12 April 2022

The Board had considered and noted the minute which had been available to members in the Board Portal.

18.2 Draft Minute – Health and Safety Working Group – 27 April 2022

The Board had considered the minute which had been available to members in the Board Portal. Following a brief discussion on the reasons for the significant increase in staff absences, the Board noted the minute.

18.3 Draft Minute – People Committee – 28 April 2022

The Board had considered and noted the minute which had been available to members in the Board Portal.

18.4 Draft Minute – Performance Committee – 25 May 2022

The Board had considered and noted the minute which had been available to members in the Board Portal.

18.5 Draft Minute – Langstane Property Limited – 25 May 2022

The Board had considered and noted the minute which had been available to members in the Board Portal.

19. AOCB

There were no matters raised under this heading.

20. Date of Next Meeting

24 August 2022.