

**Minute of the Virtual Meeting of the Board of Management of Langstane Housing Association Limited held on Monday 15 February 2021 at 12.30pm**

**Present:** J Knowles, Chair  
J Fraser  
J Greener  
J Drummond  
I Jamieson  
M Keith  
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  
A Habib, Observer  
A Bruce, PA to the Chief Executive (Minutes)

**Apologies:** G Urquhart

**1. Apologies**

The apology noted above was intimated to the meeting.

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

J Greener noted an interest in Items 7 and 12.

**3. Introduction of new Board Members**

The Chair welcomed M Keith to his first official meeting as a member of the Board of Management.

The Chair reported the current meeting schedule is being reviewed and meetings rescheduled, as far as practical, to take account of members' preference of day and timing of meetings. The revised schedule will be circulated in due course.

**4. Draft Minute – Board of Management – 18 January 2021**

The Board approved the Minute as an accurate record.

**4.1 Matters Arising**

There were no matters arising not already on the agenda.

## 5. Draft Minute – Emergency Committee – 2 February 2021

Following a brief summary of the discussions by the Chair, the Emergency Committee members approved the Minute as an accurate record.

### 5.1 Matters Arising

There were no matters arising.

## 6. Statement of Outstanding Business

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

## 7. Budget for Financial Year 2021-2022

The Board considered the Budget report and Appendix containing Schedules 1-17.

The Board was reminded the draft Budget had been reviewed by the Finance Committee on 15 December 2020. Since then it had been updated with the financial information as at 31 December 2020 and the updated 3 month forecast to the end of the financial year.

Speaking to the report, the Director of Finance and Corporate Services informed the meeting the Budget had been predicated on a 1.2% rental increase. As such this item would be considered in conjunction with Item 7.1 - Proposed Rent Increase Consultation Results. The Director drew particular attention to the following:

[REDACTED]

- A capital cost has been included for 3 vehicles however the option to lease the vehicles has not been ruled out;
- There will be no changes to the loan structure and all covenants will be fully complied with;
- In respect of the efficiencies agenda, it is assumed the sale of the properties at Crown Street and The Spital will proceed. It may be the sale of Crown Street will be concluded before the end of this financial year;
- In terms of treasury management, the Association fully complies with its policy;
- [REDACTED]
- Sensitivity analysis had been carried out on the 30 Year Plan which confirmed the key risks as voids, bad debts and maintenance inflation. Schedule 17 detailed the impact of each scenario on covenants and cash position.

### 7.1 Proposed Rent Increase Consultation Results

The Board considered the covering report and Appendix 2 - Tenants' Feedback. Appendix 1- Rent Consultation Information had been made available to members in the Board Portal.

The Director of Housing drew Board attention to the rent increase options of 1.2% and 1.7% and that both met the Association's affordability criteria. In order for tenants to make an informed decision and in line with Scottish Government, the Scottish Housing Regulator and the SFHA's (Scottish Federation of Housing Association's) guidelines meaningful information on the income generated by each option and on the expenditure of the Association for the previous financial year as well as proposed expenditure for the forthcoming financial year were set out in detail in Appendix 1.

The meeting noted a larger response to the consultation than in previous years with 77.8% of the 373 respondents having opted for the 1.2% increase. The Director of Housing informed the meeting that in respect of the tenant feedback (Appendix 2) where comments had raised concern for a tenant's welfare or where tenants had referred to loss of income through furlough / redundancy or where service issues had been raised, tenants would be contacted and support and assistance provided. However the Board noted the Association has, since the start of the pandemic, provided a wide range of assistance to tenants.

To provide context to the Association's proposed increase, the Director provided further information on the proposed rent increase being applied by local housing associations and the three local authorities for the current year and average rent increases over the last 5 years. The Board was pleased to note the Association's rent increase for this and previous years compared favourably with its peers even those freezing rents in 2021-2022.

There followed discussion on the level of response received and the question asked whether the Association could be more inventive / creative when carrying out next year's consultation. The Director of Housing acknowledged the suggestion and advised the comments would be taken on board. Arising from the discussion it was highlighted that a number of the comments related to the pandemic and queries as to why in the current climate rents were being increased. The Director informed the meeting that on relaying the Board's decision on the rent increase, tenants would be provided with the rationale for the increase and the information on income and expenditure which had been provided with the consultation reiterated.

Having considered both reports, the Board in respect of Item 7 - Budget 2021-2022:

- (a) Noted the outcome of the Tenant Consultation
- (b) Approved the 2021-2022 Budget, set using 1.2% rental increase and
- (c) Approved the attached 30 year financial plan noting that, to de-risk and create a sustainable position for the following 30 years, the following risks were noted:
  - Sale of properties;  
[REDACTED]
  - Continue to achieve efficiencies;

In respect of Item 7.1 – Proposed Rent Increase Consultation Results, the Board:

- Approved the rent increase of 1.2% for 2021-2022; and
- Approved the increase of 1.2% for occupancy charges for shared ownership and leases as appropriate.

## 8. Financial Reports to 31 January 2021

The Board noted the financial reports to 31 January 2021. Speaking to the report, the Director of Finance and Corporate Services highlighted the Statement of Comprehensive Income and Expenditure and the impact lockdown restrictions have had on repairs, planned maintenance and component spend with the result the anticipated surplus [REDACTED]

[REDACTED]

In terms of treasury management, the Board was advised there was nothing of concern to bring to its attention and all covenants are currently being complied with.

The Director informed the meeting an updated efficiencies paper would be provided in due course.

## 9. Write Off Report

The Board considered the covering report and write off attached as Appendix 1. The Director of Housing highlighted the background information provided within the report on the cases with large debt and the information on the total amount of former tenant debt held by the Association. This information was further broken down into debt being pursued by the Association, by the Sherriff Officers and that held where a repayment plan is in place.

The Board was pleased to note the total debt written off this financial year is substantially less than in the previous year. A full comparison of debt in relation to previous years and benchmarking with other organisation's former tenant debt will be provided to the Board once the end of year reconciliation is complete.

The Board approved the write off of former tenant debt in the sum of £76,911.53.

## 10. Timetable for New Funding 2023

The Board considered the timetable noting a substantial amount of work will be involved in the process to go out to the market for new funding. The Board commended the proactive approach being taken to this piece of work and noted the timetable.

## 11. Chief Executive's Update Report

The Board considered the Chief Executive's update report. Speaking to it, the Chief Executive spoke to each item with particular attention being drawn to Items 3, 4 and 6.

In terms of Item 3, the Board will be kept updated on the Social Renewal Advisory Board's report "If not now, when?" and its standing e.g. whether or not the

recommendations are accepted, in full or partially, and the implications of these for Langstane and its tenants.

[REDACTED]

[REDACTED]

The Board was pleased to note the information provided under Item 6 that the Support Services Manager had passed the data protection training with distinction and is now the Association's certified Data Protection Officer. The Board approved the appointment noting in doing so would fulfil one of the recommendations arising from the recent GDPR / FoI audit.

## **12. Corporate Document Review Report**

The Board noted the report which detailed the changes to each of the policies listed under Items 12.1 -12.8. Items 12.1 -12.5 had been made available to members in the Board Portal showing the track changes.

### **12.1 Allocations Policy**

The Board having considered and noted the policy and the information on the changes in the covering report approved the Allocations Policy V3.

### **12.2 Privacy Policy**

The Board having considered and noted the policy and the information on the changes in the covering report approved the Privacy Policy V4.

### **12.3 Whistleblowing Policy**

The Board having considered and noted the policy and the information on the changes in the covering report approved the Whistleblowing Policy V4.

### **12.4 Treasury Management Policy**

The Board having considered and noted the policy and the information on the changes in the covering report approved the Treasury Management Policy V3.

### **12.5 Funding Strategy 2021-2022**

The Board having considered and noted the strategy and the information on the changes in the covering report approved the Funding Strategy 2021–2022.

#### 12.6 Entitlements Payments and Benefits Policy – Appendix A - New Policy

The Board having considered and noted the policy and the information on the changes in the covering report approved the Entitlements Payments and Benefits Policy V2 and Appendix A – Entitlements, Payments and Benefits – Payments That Can and Cannot be Made.

#### 12.7 Serious Complaints Against the Chief Executive – New Policy

The Board having considered and noted the policy and the information on the changes in the covering report approved the new Serious Complaints against the Chief Executive Policy.

#### 12.8 Equality and Diversity Strategy

The Board having considered the strategy and the information on the changes in the covering report approved the Equality and Diversity Strategy V4.

It was noted that following the issue of a number of updated policies to the Board, SFHA has issued revised guidance. Approval was given for the Chief Executive to update the Association's relevant documents, following SFHA recommended practice. Where significant amendments are required, these will be advised to the Board otherwise the documents can be updated to meet SFHA guidance without re-presenting the policy / document to the Board outwith its review timescale.

### **13. Fraud Risk**

The Chief Executive reported verbally on this item which had been the topic of discussion at the Joint Audit and Governance Committee meeting on 2 February 2021. The Committee had agreed additional measures to monitor areas of fraud would be put in place and reported on a quarterly basis to the Committee within the Strategic Risk Register report. The highest risks would be looked at in Quarter 1 and thereafter information provided on checks carried out on the chosen risk to ensure the risk of fraud in that area is mitigated as much as possible. The Committee further recommended these additional measures should be documented in the Anti Fraud Policy. The change to the Anti Fraud policy was agreed by the Board who noted their quarterly updates in 2021-2022 onwards will contain information regarding fraud.

### **14. Governing Body Annual Reviews 2020**

The Board considered the report which set out the areas of priority identified by governing body member's areas in the 2020 annual review process and how they will be taken forward. In addition, the report set out the 2019 priorities, detail of what had been achieved and any outstanding priorities. The Chief Executive reported much had been accomplished but acknowledged there are still some areas where the Association must improve i.e. delivery of the Board training plan. Outstanding actions will be given a high priority.

The Board of Management having reviewed the findings of both the 2019 and 2020 annual reviews, the progress made and priorities still to be achieved, noted the report.

## **15. Performance Targets 2021-2022**

The Director of Housing speaking to the report highlighted the targets had been based on the 2020 performance but that the impact of the pandemic had made setting targets challenging. Some indicators were unchanged and in addition to operational indicators, new indicators had been set for IT and Finance. Overall a prudent approach had been taken to setting targets which are both challenging and achievable.

The Board approved the targets noting they would be implemented from April 2021.

## **16. Draft Minute – Health and Safety Working Group – 20 January 2021**

The Director of Asset Management provided a brief summary of the discussions. Responding to the question raised regarding staff attending the office, provided information on the check-in procedure. The Board noted the Minute which had been available to members in the Board Portal.

## **17. Draft Minute – Joint Audit and Governance Committee – 2 February 2021**

Following a brief summary of the discussions by the Convener, the Board noted the Minute which had been made available to members in the Board Portal.

## **18. Covid-19 Update**

The Board considered and noted the report which provided an update on the impact of the current pandemic on business activities. Speaking to the report, the Chief Executive drew attention to the increase in anti social behaviour and in complaints. With regard to staff morale, the Board noted the Association is taking measures to ensure staff well being is a priority.

## **19. AOCB**

There were not items raised under this heading.

## **20. Date of Next Meeting**

26 April 2021