

Minute of the Hybrid Meeting of the Board of Management of Langstane Housing Association Limited held on Wednesday 24 August at 12.30pm

Present:

In Person:	Virtual:
J Knowles	J Fraser
	J Drummond
	I Jamieson
	M Martin
	G Urquhart

In Attendance:

In Person:
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: A Stevenson

1. Apologies

The apology noted above was intimated to the meeting.

2. Declaration(s) of Interest

There were no notes or declarations of interest.

3. Draft Minute – Board of Management – 15 June 2022

The Minute was approved as an accurate record.

3.1 Ratification of Decisions Made

The Board was informed the meeting of 15 June 2022 had been quorate until A Habib had, due to conflicting diary commitments, left the meeting. All decisions made following his departure would therefore need to be ratified.

Decision: The Board ratified all decisions made following A Habib's departure from the meeting.

3.2 Matters Arising

There were no matters arising not already on the agenda.

4. Draft Minute – Meeting of Office Bearers and Convenors 18 July 2022

Board members not present at the meeting had considered and noted the Minute.

Decision: The Office Bearers and Convenors in attendance at the meeting approved it as an accurate record.

4.1 Matters Arising

There were no matters raised.

5. P & C Draft Minutes

The draft Minutes listed under Items 5.1 – 5.4 (namely, 5.1 - Board of Management – 17 May 2022, 5.2 - People Committee - 14 June 2022, 5.3 - Board of Management - 15 June 2022 and 5.4 - Emergency Committee – 5 and 26 July 2022) had been circulated, via email, by the Chief Executive and considered and noted by all Board members.

Decision: Members present at each meeting approved them as an accurate record.

6. Statement of Outstanding Business

The Board noted the statement.

Action: The Statement would be reviewed and any duplication of items removed. Where actions are to be carried forward, only the revised target date would be shown on the statement.

7. Financial Reports to 30 June 2022

The Board considered and noted the report. Speaking to it, the Director of Finance and Corporate Services highlighted the key areas which included, the below forecast surplus, the increase in arrears and voids, rising office costs and interest payments and the below budget spend on components. There had been no breach of any loan covenants and all payment obligations are being met.

Arising from the discussion the Board discussed, at length, future challenges in respect of the current and forecasted economic climate which would impact the Association, its future strategic direction, its tenants and what the Association would focus on to ensure it maintains its financial stability / resilience.

8. Audit Findings Report – Year Ended 31 March 2022 – The Langstane Group

Speaking to the report, the Director of Finance and Corporate Services drew Board attention to the Executive Summary which detailed the key audit findings which included the auditor being able to provide an unmodified audit opinion on the Association's financial statements. Further attention was drawn to materiality. The issue of materiality and in particular the appropriateness of using the Statement of Comprehensive Income (SOI) as the benchmark had been discussed at length by the Joint Audit and Governance Committee on 16 August. Further discussion on this topic would be held with the auditor and the Committee.

Board attention was drawn to the key risks documented on Pages 5 – 11 and in particular the findings in respect of the defined benefit pension scheme, the Revolving Credit Facility (RCF), the ongoing support required in respect of LPL, going concern for each entity, the change in accounting policy with regard to boilers, the recommendations made in respect of internal control issues and the additional audit fees arising from the work required to satisfy the auditor the change in accounting policy did not materially impact the prior year statements.

Decision: The Board was pleased to note the auditor had been able to provide an unmodified audit opinion on the annual report and financial statements and approved the Audit Findings report for Year Ended 31 March 2022.

9. Annual Report and Financial Statements - Year Ended 31 March 2022:

9.1 Langstane Housing Association Limited

Speaking to the report, the Director of Finance and Corporate Services informed members the auditor's opinion was the financial statements represented a true and fair view of the Association's state of affairs and of the surplus and had been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The Director drew Board attention to the key areas within the financial statements, namely the report of the Board of Management on Pages 1 – 11, the auditor's report on governance matters on Page 13, the auditor's opinion on Page 14. In addition, the Board noted the turnover on Page 17 and the figures underpinning this, the accounting policies on Pages 20-25 and the notes supporting the figures on pages 26–38.

Decision: The Board approved the annual report and financial statements for the year ended 31 March 2022 as presented and authorised they be signed, on behalf of the Board, by the Chair, Vice Chair and Company Secretary.

9.2 Langstane Property Limited

The Board considered the annual report and financial statements for year ended 31 March 2022 for Langstane Property Limited (LPL) which had been presented and approved by LPL Board earlier in the day.

Decision: The Board noted the annual report and financial statements for year ended 31 March 22 as presented and further noted they would be signed, on behalf of the Board of LPL, by the Chair of LPL.

10. Letter of Representation

10.1 Langstane Housing Association Limited

The Board considered the letter which the Director of Finance and Corporate Services advised was in a standard format and confirmed, amongst others, all of the financial records had been made available to the auditor.

Decision: The Board approved the letter as presented and authorised it be signed, by the Chair, on behalf of the Board of Management.

10.2 Langstane Property Limited

The Board considered and noted the letter which had been presented to and approved by the Langstane Property Board earlier in the day. The letter would be signed, on behalf of the LPL Board, by the Chair of LPL.

11. Letter of Confirmation – Services provided by Langstane Housing Association Limited to Langstane Property Limited

The Board considered the letter which confirmed the management charges levied by the parent, LHA, to the subsidiary LPL.

Decision: The Board approved the letter as presented and authorised it be signed, by the Chair, Vice Chair and Company Secretary on behalf of the Board.

12. Gift Aid from Langstane Property Limited to Langstane Housing Association Limited

The Director of Finance and Corporate Services informed the Board that as LPL had reported a deficit in financial year 2021-22, there would be no gift aid donation made to the parent LHA.

13. Letter of Support from Langstane Housing Association Limited to Langstane Property Limited

The Board considered the letter which had been presented and noted by the Board of Management of LPL earlier in the day. The letter, a standard condition of the auditor signing off LPL as a going concern, confirmed LHA's support (if required) for at least the twelve months following the signing of the financial statements.

Decision: The Board having considered its terms and having further renewed the Board's support for LPL, approved the letter and authorised it be signed, on behalf of the Board of Management of LHA, by the Chair of LHA.

14. Chief Executive's Update Report

The Board considered and noted the report. The Chief Executive spoke to each of the items drawing particular attention to those requiring Board approval.

Decision: Item 14.1 - The Board approved the updated Annual Assurance Statement which had been revised following updated guidance from the Scottish Housing Regulator. The change related to the Association's statement that all legislative duties are complied with and now included explicit reference to housing and homelessness services, equality and human rights, tenant and resident safety, and information relating to the EICR position.

The Board authorised the Statement be signed by the Chair and submitted to the Scottish Housing Regulator.

Decision: Item 14.8 – The Board approved the proposal to replace the Revolving Credit Facility (RCF) prior to October 2023 and to continue negotiations with BoS to replace the current RCF facility on the basis outlined.

Decision: Item 14.10 – The Board noted the information provided on the Group insurance renewal. Delegated authority had, on 15 June 2022, been given to the Leadership Team to complete the renewal process but for completeness, the Board, based on the information provided gave retrospective approval to the insurance cover secured.

Decision: Item 14.7 - Members were invited to remain after the meeting for an update on the job evaluation exercise.

15. Corporate Document Review

15.1 Corporate Document Review Report

The Board considered and noted the report which provided a summary of the changes made to the corporate documents listed under Items 15.1.1 – 15.1.3.

15.1.1 Anti Bribery Policy V3

The Board approved the policy as presented.

15.1.2 Equality and Diversity Policy V3

The Board approved the policy as presented.

15.1.3 Scheme of Delegation V1.9

The Board approved the policy as presented.

16. AGM Report

The Board considered the report which set out in detail the Associations Rules governing the AGM in respect of membership, office bearers and the presentation to members.

Decision: Having considered the report, the Board:

1. *Noted those members of the Board of Management who are due to retire and the protocol for re-election / election of Board Members at the annual general meeting;*
2. *Noted the requirement to appoint office bearers after the annual general meeting and agree membership of existing committees;*
3. *Approved the re-election of J Knowles and J Fraser as Board of Management Members, confirming J Knowles and J Fraser provide sufficient challenge to the Leadership Team;*
4. *Noted the Secretary's confirmation statement attached as Appendix 2;*
5. *Agreed the format of the annual general meeting including the intended speaker and*
6. *Agreed to submit a proxy vote if unable to attend the AGM.*

Members M Martin and G Urquhart confirmed their support for the effectiveness of both J Knowles and J Fraser both of whom were affected by the nine year rule.

17. Business Plan 2020 - 2025, Internal Management Plan

The Board considered and noted the updated plan which showed all new information in red text.

18. Quarter 1, 2022-23 Reports

18.1 Strategic Risk Register

The Board considered and noted the Quarter 1, 2022-23 Strategic Risk Register which documented the Association's highest risks and the actions to mitigate them.

Arising from its content, an update on the Board recruitment exercise was sought. The Chief Executive reported that in addition to a targeted recruitment exercise, the role had been widely advertised. However, to date there had been no interest. Board members were therefore asked to put forward names of potential candidates. J Fraser advised he had a candidate in mind with whom he would make contact. He would provide the Chief Executive with the outcome of the discussion.

18.2 Signings Report

The Board had considered and noted the report which provided a summary of information in relation to all signings, leases and disposals added to the relevant registers during Quarter 1, 2022-23. The report had been available to view in the Board Portal.

18.3 PR, Communications and Social Media Report

The Board had considered and noted the report which detailed information on the public relations, communications and social media activity during Quarter 1, 2022-23. The report had been available to view in the Board Portal.

19. Board Away Day – Strategic Direction

The Chief Executive informed members the final report on the consultancy work being carried out to inform the Association's strategic direction was on target for being presented to the Board's meeting on 16 November.

20. Bus Tour – 8 September 2022

The Chief Executive reported verbally that arrangements for the bus tour were, for a variety of reasons proving challenging. As such, Board approval was being sought to delay the tour.

Decision: The Board approved the proposal to delay the tour. A revised date would be scheduled following the recruitment of new members to the Board. Further approval was given to revise the format whereby members could meet at a scheme rather than an actual bus tour.

21. Minutes

21.1 Approved Minute – Joint Audit and Governance Committee – 7 June 2022.

The Board noted the minute which had been available to view in the Board Portal.

22. AOCB

The Chief Executive sought members' preferences for the format of future meetings i.e. face to face, hybrid, virtual. Following brief discussion it was agreed hybrid meetings would provide greater flexibility. However face to face meetings would be arranged where key strategic discussions were taking place e.g. the November meeting.

23. Date of Next Meeting

The Board's next meeting would take place on 21 September 2022 with both the AGM and a Board meeting held consecutively. Members were asked to submit their apologies for the AGM in advance and, as previously requested, to ensure the meeting was quorate, submit a proxy form if not attending.

M Ballance, J Sutherland and A Bruce left the meeting to enable discussion on Item 14.7, the job evaluation exercise.

14.7 Update on the Job Evaluation and Pay Negotiation Exercise

The Chief Executive and Director of Finance and Corporate Services provided an update on the job evaluation and pay negotiation exercise and where employee consultations were at. It was noted the appeal stage was being entered with all appeals to be made to the People & Culture Manager by 29 August.

Significant discussion followed and Board members noted this was a very unsettling time for all involved and hoped that longer term, the situation would be improved as roles change and develop.