

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN EILEIN
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LOCHALSH AND SKYE HOUSING ASSOCIATION

MINUTES of the 30th ANNUAL GENERAL MEETING held on
Monday, 24 June 2013 at 7.00pm at Morrison House, Portree, Isle of Skye

PRESENT: Mr I MacLean (Chairperson), Mr R Johnston (Vice-Chairperson), Mr I McIvor, Mr G Gormal, Mrs A MacSween, Mr R MacKinnon, Mrs A Sinclair, Mr T Dew, Mr T Bowditch, Mrs I MacLeod, Ms M Hannah (Citizens Advice Bureau), Mrs J Turkington, Miss F McAdam, Miss M MacLean, Mrs A Scholes, Mrs M Douglas, Mr G Convery, Mrs M Gillies, Miss F Duguid, Mr A MacCalman, Mrs C Lesley (Portree Community Council).

IN ATTENDANCE: Mr L MacDonald (Chief Executive)

APOLOGIES: Mrs V Phipps, Crossroads Care, Mr I MacKenzie, Mrs P Simmister, Mrs M Gillies, Ms L Williams, Mrs P Walsh, Minginish Community Council, Mr R MacDougall, Mrs K Grant, Mr J Campbell, Mr P James, Mrs P James, Ms Y Barrett, Sleat Community Council, Struan Community Council, Mr H MacDonald, Mr G Wight, Ms Isabel Chisholm, Mrs M Taylor, Ms J Masson, Mr J Lamont, Mr D MacDonell, Mr D MacKenzie (Treasurer), Miss J MacPherson, Mrs L MacIntosh, Mr J Davidson.

2. **MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (25 June 2012)**

The Minutes had been circulated previously and were moved for adoption by Mr Archie MacCalman seconded by Mrs J Turkington and approved unanimously.

3. **CHAIRPERSON'S REPORT**

The Chairperson gave the following report:

I am pleased to present this 30th Annual Report of the Association and my 5th, and last, Chairperson's Report – our Rules require the Chairperson to stand down from office after 5 years' service!!!

Since we were "born" in 1983, we have constructed more than 700 properties for affordable rent or low cost home ownership and we have assisted more than 1,000 elderly and disabled households through the Care & Repair Service. We are also now regularly assisting more than 800 households annually through our Handyperson Services team. All of these achievements are a direct result of the vision of Mrs Pat Walsh and the other voluntary members of the Association who were determined to provide solutions to meet the high level of housing need in Skye and Lochalsh.

A debt of gratitude must also go to our CEO, Lachie MacDonald, for catching the vision and leading the Association since 1986 through all the various changes over the year. "Thank you Lachie".

From modest beginnings, the Association has grown into a significant local employer with 25 members of staff and a multi-million pound turnover. We are constantly re-inventing ourselves to meet the housing and other challenges we face. We have most recently diversified to provide mid-market rent properties through our subsidiary company, North West Highland Community Enterprises Ltd. We have also been successful in sourcing additional funding to allow us to continue to provide our Energy Advice Service which is actively making a difference to households by helping to reduce their energy costs.

Despite reductions in grant funding and the continuing difficulties associated with the "credit crunch", we have managed to keep building new homes and propose to continue to do so in the future. Our Chief Executive will provide more details regarding this in his report.

We invested significant funding in the planned maintenance of our older housing in the last year and we are expanding the range of trades being delivered directly by our Property Services team. I am delighted to report that we have met the Scottish Housing Quality Standard for all our housing stock, two years ahead of the 2015 deadline.

I wish to thank the Chief Executive and all of the staff for their achievements during the year and to thank all of the agencies, contractors, suppliers and financial institutions for their tremendous support.

I will conclude by thanking profusely all of our Management Committee members who meet every month and sometimes more often if they serve on our Sub-Committees. I have greatly appreciated all the support you have given me during my time as Chairperson. The Association exists because of this voluntary input and I am sure we will continue to go forward in providing assistance to those with a housing need in Skye and Lochalsh.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive gave the following report:

It's traditional to wait until the end of the Chief Executive's report to thank everyone who has assisted the Association in it's achievements during the year but I want to begin my report by thanking people and giving them the recognition they deserve up front, because, to my mind, without the dedication, professionalism and hard work of a wide variety of individuals and organizations, the Association would not have achieved what it has done over the past year.

This "thank-you" list includes our voluntary Management Committee members, all of our staff, our consultants, contractors and suppliers too numerous to mention individually and The Highland Council, NHS Highland and the Scottish Government who have worked closely in partnership with us during the year. The collective assistance of all of the foregoing has contributed hugely to our successes during the year.

Our own housing development programme has continued to be constrained by the low level of grant funding available for new construction and by the lack of availability of affordable long-term finance from commercial lenders. Despite these difficulties, we did successfully complete 15 new houses and flats at Dornie, including six houses for The Highland Council and our first four properties for mid-market rent which have been leased to our subsidiary company North West Highland Community Enterprises. Now that this company is actively trading, we will be reporting back to our members each year on its activities and finances.

Our development and technical staff have been successful in securing work to act as the agent for The Highland Council in delivering parts of their housing development programme in Skye and Lochalsh and we are currently working on proposed new build projects in Balmacara, Portree and Broadford. The Association was also successful in purchasing a site at Home Farm Portree from the Robertson Group which has the benefit of planning consent for 32 housing units. A part of this site will shortly be used to provide a small hostel for Police Scotland and the remainder of the site will be developed out by the Association and The Highland Council for additional affordable housing with the first phase commencing in the Summer of 2013.

The Scottish Government require social landlords to ensure that all of their housing stock meets the Scottish Housing Quality Standard by March 2015. I am delighted to report that all of our stock now meets the standard, a full two years ahead of the target date. This is a testimony to the hard work of our Property Services team who are responsible for the planned maintenance work to our properties as well as day to day repairs. They dealt with 828 individual repair requests during the year and 819 (99%) of these were completed within our tough response times. In addition, we introduced a new "out of hours" repairs service during the year and this has significantly improved the quality of service provided to our tenants and provided better value for money overall to the Association. We were also accredited as a Registered Property Factor by the Scottish Government in October 2012.

We reviewed the performance of our small team of tradesmen who are responsible for our programme of replacing kitchens, windows and doors in our properties and such has been the success of this arrangement and the flexibility it gives us in responding to tenants' needs that we decided to expand the team by the addition of two painters/cleaners. We have found that by directly employing our own staff on these works we are able to achieve cost savings for the Association coupled with better control of the programme of works. We propose to continue to review our activities to consider whether further expansion should take place in the future. We are also now registered with The Highland Council on their framework of approved contractors which enables us to consider providing similar services to the Council as required.

As we anticipated at our last AGM, the introduction of welfare benefit reforms has presented a number of challenges for all social landlords. Advice agencies across the country are reporting large increases in the numbers of tenants seeking advice on how to cope with the impact of the changes. We decided that, in order to assist our tenants, we wanted to be able to offer them one-to-one advice and information and we therefore employed a new Tenant Adviser and

Fiona McAdam is carrying out this role for us as a member of our Housing Services team.

We have confirmed that 83 of our tenants are subject to a 14% loss of housing benefit for occupying a property with one bedroom more than they need and 18 tenants have lost 25% of their benefit for occupying properties with 2 or more bedrooms than they need. All of these tenants have been contacted individually by our Tenant Adviser who is working closely with other key agencies like Skye and Lochalsh CAB, The Highland Council and Am Fasgadh to ensure that we are able to provide the best possible advice to our tenants.

Our Housing Services staff re-allocated a property almost every week during the year (50 re-lets) and they have also been dealing with increased numbers of tenants wishing to transfer to smaller properties, in order to avoid the effects of the 'bedroom tax'. We are actively encouraging our tenants to consider this option where possible.

Unfortunately it is not an option for everybody as we often don't have smaller properties in the communities that our tenants are living in and they, understandably, are reluctant to consider moving away. We are continuing to lobby the Westminster Government through our Federation for changes to the bedroom tax but, unfortunately, I have to report that no progress on this has been made to date.

Our Care and Repair Service assisted 71 elderly and disabled applicants with repairs and improvements to their homes and £341,000 of grants were given out during the year, exceeding the target that we were set by The Highland Council. Donnie Martin, our Care and Repair Officer, maintains an excellent working relationship with a large number of small local contractors and the Council and we thank them for their continuing financial support for this important work.

Our Handyperson Service completed a record number of 2,059 tasks during the year which is truly remarkable as they were all completed within the target times that we set. Once again, we have received invaluable assistance from Community Service Workers and we greatly appreciate their important contribution to this work as well as the financial assistance of NHS Highland and The Highland Council.

Last year I reported that we were seeking financial assistance from external funders to support the vital work of our Energy Advice Service. I'm pleased to report that we were successful in an application to Scottish Power who have provided £50k of revenue grant funding to be used for the reduction of fuel poverty in Skye and Lochalsh. We were also able to take part in the Scottish and Southern Energy New Appliance Scheme and a total of 31 new appliances were provided to tenants at a cost of £15k funded by the scheme.

Our Management Committee have had a busy year considering and approving a wide range of policies, including Complaints Handling procedures which meet the new standards required by the Scottish Public Sector Ombudsman and overseeing the introduction of the Scottish Social Housing Charter which we will be reporting on to our tenants and members next year. The Committee members also undertook a full day of training on governance issues in November 2012 to

ensure that the Association continues to comply with the requirements of the Scottish Housing Regulator

The Management Committee also agreed that the Association should be the anchor organisation for the administration of the Scottish Government's People and Communities Fund within Skye and Lochalsh. We successfully assisted one charitable organisation through the Grant process by the end of the financial year and they were awarded a Grant of £116k over a 3-year period. We are assisting a number of other organisations through the same process and a special thank you has to be given to Marion Douglas, our E-Business Development Officer, who is responsible for the administration of these Grants.

I hope you will agree that this has been a year of excellent progress by the Association and we have responded well to the challenges that we and our tenants and other customers face in these difficult financial times.

Finally, I want to record my sincere appreciation of the work done by Mr Ian MacLean during his 5-year service as the Chairperson of the Management Committee. He has been a constant source of encouragement and support and I have thoroughly enjoyed working with him. I wish him well in his new role on the back benches.

That concludes my report for the year.

5. Annual Report and Financial Statements for the Year Ending 31 March 2013

The Chief Executive drew members' attention to:-

- The Report of the Management Committee
- The Independent Auditor's Report to the Members of the Association

The Chief Executive asked Members to note the following:-

Pages 1 – 5 : Report of the Management Committee

- As the Association is a Charity, the individuals referred to collectively as our Management Committee members also act as the Trustees of the Charity and are responsible for ensuring that Annual Financial Statements are presented to the Annual General Meeting.
- **Page 1** lists the Association's key advisers.
- **Page 2** describes key aspects of the business during the year and lists our relationships with other charities and organisations. Importantly, it states at the bottom of the page that we propose to continue to expand in future years and to invest more resources in our existing housing stock for the benefit of our tenants.
- **Page 3** lists the members of the Management Committee and the Executive Officer who is myself. It then starts to set out in detail the Management Committee's responsibilities which continue on to page 4.

- **Page 4** also spells out “how” the Association conducts its business and highlights key policies, procedures and reports that are used to control and manage the organisation.
- **Page 5** concludes the Management Committee Report and you will note that Baker Tilly have agreed to offer themselves for re-appointment as auditors of the Association.

Pages 6 and 7 : Independent Auditors Report to the Members of the Association

- These pages confirm that our Auditors, Baker Tilly, have carried out a full and extensive audit and they consider that the Financial Statements are a true and fair view of the Association’s financial position. The auditors have not raised any issues following their visit (which lasted for one week) and, as always, it is pleasing to receive a “clear” audit report from our Auditors.

Page 8 : Income and Expenditure Account

- Turnover has increased from £3.2 million to £3.3 million in the year.
- Rental Income increased from £1.9M to £2.06M.
- Operating surplus increased from £513K to £648K.
- Interest receivable has increased from £440 to £460.
- Interest payable up from £204K to £274K which reflects our increase in borrowings to fund new projects.
- Net Surplus for year has increased from £288K to £374K.

Page 9 : Balance Sheet

- Housing Properties Cost now up from £60.3M to £61.2M.
- Total Assets less Current Liabilities up from £13.8M to £15.0M.
- There are creditors falling due after more than one year of £12.0M which are our long term loans for housing and office buildings.
- Net Assets up from £2.54M to £2.91M represented by:-

-	Share Capital	£188
-	Designated Reserves	£49K
-	Revenue Reserves	£2.87M

- Our revenue reserves are for future investment in the planned maintenance programme for our own rented housing stock.
- Members are advised that if they wish to receive the full 24 page copy of the Report and Financial Statements, these are available free of charge from the Association’s offices.

Members **noted** the report.

6. Appointment of Auditors

The Chief Executive reported that Baker Tilly UK Audit LLP had been appointed on a long term contract as the Association's auditors and have offered their services again this year as part of the agreement. This was approved unanimously.

7. Election of Management Committee

In accordance with the Rules, three members of the Management Committee were due to retire in rotation and these were Mr Ian MacLean, Mr Donald MacKenzie and Mr Gordon Wight. All these members had indicated that they were willing to continue as Management Committee members and were automatically re-elected.

Two nomination forms for election to the Management Committee had been received. Mr I MacLean had nominated Mrs Audrey Sinclair and Mrs A MacSween nominated Mr Tim Bowditch who were both duly elected.

8. AOCB

➤ None.

The meeting closed at 7.30 p.m.

Chairperson