

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

MINUTES of the 31st ANNUAL GENERAL MEETING held on
Monday, 30 June 2014 at 7.00pm at Morrison House, Portree, Isle of Skye

PRESENT: Mr J Laing, (Chairperson), I MacLean, Mr I McIvor,
Mr R MacKinnon, Mrs A Sinclair, Mr T Bowditch (Treasurer),
Mrs I MacLeod, Ms M Hannah (Citizens Advice Bureau),
Mrs J Turkington, Miss F McAdam, Mrs M Douglas, Mrs C Leslie
(Portree Community Council), Mr G Gormal, Mr D Gillies,
Mrs J Masson, Mr J Lamont, Mr D MacDonell, Mr D MacKenzie,
Miss J MacPherson, Mrs L MacIntosh, Mr Paul Carpenter,
Mrs M Palmer.

IN ATTENDANCE: Mr L MacDonald (Chief Executive)

APOLOGIES: Mr R Johnston (Vice-Chairperson), Mrs V Phipps, Crossroads Care,
Mrs P Simmister, Mrs Margaret Gillies, Ms L Williams, Mrs P Walsh,
Minginish Community Council, Mrs K Grant, Mr J Campbell,
Mrs A MacSween, Mr P James, Mrs P James, Ms Y Barrett,
Mr Iain MacKenzie, Mrs M Taylor, Miss Isabel Moore, Mrs M Gillies,
Miss F Duguid.

2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (24 June 2013)

The Minutes had been circulated previously and were moved for adoption by Mrs J Turkington seconded by Ms J MacPherson and approved unanimously.

3. CHAIRPERSON'S REPORT

The Chairperson gave the following report:

Good evening ladies and gentlemen and a warm welcome to the Associations 31st AGM and my first annual report as Chairperson.

Following last year's AGM, the following members agreed to serve as Office Bearers:-

Mr Dick Johnston – Vice Chairperson

Mr Tim Bowditch – Treasurer

Mrs Lesley MacIntosh, Finance Services Officer, continued as Company Secretary.

Over the year attendance at our Management Committee meetings was 85%, which was an excellent achievement.

Janette MacPherson retired from the Committee in April 2013. I am very pleased to say though that we have had two new members join us during the year, Audrey Sinclair was co-opted in May 2013 and elected in June 2013 and Mr Paul

Carpenter was co-opted in March 2014 and they both bring excellent experience and understanding to the Committee.

We are always seeking to attract new Management Committee members, particularly those with relevant experience who can assist in strengthening our governance arrangements.

Our development programme was very active during the year and the Chief Executive will give details in his report.

We very much welcomed the Scottish Government's decision in July 2013 to increase the level of Grant funding available to housing providers. This decision will help us to deliver more new housing throughout the area.

We are also continuing to work with partner organisations, including The Highland Council, NHS Highland, and Police Scotland to assist them in delivering their housing within Skye & Lochalsh.

Care & Repair and our Handyperson Services continue to be working flat-out and we met, or exceeded, all of the targets set for the year. We do have a concern that we need additional resources to help fund our Handyperson Service and we are in discussions with funders as to how we can achieve this. We hope that these discussions will lead to a successful outcome during 2014.

Our Energy Advice Service is an essential part of our work and the work that our staff carry out is increasingly being noticed, not only within Highland but across Scotland. Our staff are in constant demand to help other agencies understand the causes of fuel poverty and the actions that can be taken to combat this issue which affects not only public sector tenants but also many home owners, crofters and private tenants. The Chief Executive will expand on what we have been doing in this field, but I know that the Committee are particularly impressed with the work that both Donnie and Moira are doing and thank them again for their efforts and wish them continued success.

Another major issue which we are continuing to try and address are the welfare benefit reforms which are on-going across the UK, and which are impacting on some of our most vulnerable client groups. Our decision to employ a full-time Tenant Adviser was extremely timely, and we are also working with many other organisations including the Council and Skye and Lochalsh Citizens Advice Bureau to target resources to deal with the impact of these changes, which will continue for many years to come and will remain as a continuing challenge to us and our tenants.

During the year, we started work on a complete 100% survey of all of our properties to help us design our Asset Management Programme and target our resources to the properties that require improvement, particularly in energy efficiency measures such as insulation and new heating systems. Our ambition is to complete the survey by October 2014, but we have already started on a programme of remedial works to those houses which have already been surveyed. We hope to provide our tenants with well-maintained and energy efficient houses at an affordable rent.

At the same time, we are conducting a Tenant Satisfaction Survey in respect of the services provided by the Association. The early results indicate high levels of satisfaction, and, where the survey results indicate that there are areas we can improve on, we will devote the necessary resources to achieve those improvements at the earliest possible date.

We have completed our first Annual Return on the Charter report to the Scottish Housing Regulator and will be publishing our results on our performance against our targets in October 2014. Our tenants and other services users will be able to compare our performance against other similar housing associations and the early indications are that we will compare very favourably.

Following a recent review of our Tenant Participation Policy, we are establishing a Tenant Scrutiny Panel (name to be decided!) to assist staff and the Management Committee in reviewing our policies and procedures as well as the standard of the services we provide. This panel will be fully up and running in 2014 and any tenant will have the opportunity to join and take part in this important work.

These are just some of the “highlights” of what has been another very busy and successful year for the association.

So, before I close, I would like to thank all the Committee members for their support over the year for their excellent attendance at Committee meetings and also to those who give willingly of their time to service our various sub-committees, all of our suppliers, contractors and all those who help to keep the Lochalsh and Skye Housing Association as one of the leading associations in Scotland.

Most of all our thanks to Lachie MacDonald, our Chief Executive, his senior management team, and all his staff, who ensure the efficient running of our Association for the benefit of our many customers in Lochalsh and Skye.

Thank you all very much.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive gave the following report:

This is my first report on behalf of the Lochalsh and Skye Housing Association Group of Companies. The Association now forms part of a Group because during the last year our subsidiary company, North West Highland Community Enterprises Limited became active in the letting of mid-market rent properties at Dornie and I will give a brief update on the work of the Company later in my report.

The Housing Association itself is now responsible for managing and maintaining around 650 properties, most of which are our own rented stock but we also provide management services to the National Trust for Scotland, HIE, The Highlands Small Communities Housing Trust, Link Housing Association and West Highland College.

This work ensured that our Housing and Property Services staff members were kept extremely busy in the last year but they have coped extremely well with the many challenges they faced. Our average time to re-let a property was 12 days but it reduced from 18 days in the first quarter of the year to only 5 days in the final quarter. We hope to be able to maintain that improved performance into the new financial year. Also, we were able to achieve an average Emergency Repair response time of just over four hours and non-emergency repairs were dealt with within four days. Given that we dealt with almost 900 repair requests during the year, these figures represent an excellent achievement.

We spent more than £440k on planned and cyclical maintenance to our own housing stock providing new windows, doors, heating systems and kitchen units to make sure that all of our properties continue to meet the Scottish Housing Quality Standard.

As the Chair has said, in October 2013 we started a survey of all of our properties involving our Property Services and Energy Advice Services staff. We want to check that the condition of our properties and in particular their energy efficiency is as good as it can be. It will take a full year for all the surveys to be completed so it's a significant investment in staff time and resources. However, the surveys will give us excellent information that we can use to target properties in our future asset management programmes. Energy efficiency work has already started to 40 properties identified as needing higher levels of loft insulation.

Our Director of Development Services and his team were also extremely busy on other aspects of our programme. Whilst we didn't complete any new build properties in the year, we were pleased that 15 new houses and flats at Home Farm, Portree were under construction at the year end. These properties are due to be handed over to tenants in July 2014. We also received approval from the Scottish Government to submit another Grant application for the construction of a further 17 properties at Home Farm, Portree which will bring the original approved affordable rented development at Home Farm to a close. As well as mainstream housing for affordable rent, this new phase will include some housing for wheelchair users and some supported accommodation for tenants with special needs. We are working closely with NHS Highland's Adult Services on the design of the houses and the on-going management arrangements for these properties which it is hoped will be completed and handed over in the summer of 2015.

Our Care and Repair Officer was responsible for assisting 65 clients in private sector housing with repairs, adaptations and improvements and £432k of grant monies were used for this important work. In addition, our Handyperson Service completed 2288 tasks during the year, an increase of 12% on the previous year. All of this work was achieved within our target times which is a tremendous achievement by all of the staff involved. Both of these services are designed to assist elderly and disabled customers to remain in the comfort of the own home for as long as is practicably possible without the need to be taken into residential care. The work that is carried out also enables NHS Highland to reduce pressure on hospital admissions and allows their patients to be discharged safely to their own homes as quickly as possible. We gratefully acknowledge the excellent work carried out by NHS Highland staff in support of these services.

We are also very grateful for the financial assistance currently provided by The Highland Council and NHS Highland. However, the increase in the number of customers using these services does mean that we will have to ensure that future funding matches the increased costs that we are faced with. We are in discussion with funders regarding this issue and we hope to be able to report on positive news on this at our next AGM.

There is no doubt that improving energy efficiency and eliminating fuel poverty are significant challenges for those involved in public and private-sector housing. The survey work carried out by our Energy Advice Service suggests that the average energy bills of a home in Skye and Lochalsh is £2,218 per annum which is £1000 **more** a year than national averages.

It is not always appreciated that it is actually public sector housing stock that is often the most energy efficient due to the scale of investment that has been undertaken in recent years by the housing association and The Highland Council to meet the Scottish Housing Quality Standard.

However our staff have come across many houses in the private sector where the occupiers have self-disconnected their heating systems due to high costs. Many of these occupiers are elderly and/or disabled and have limited ability to cope with increasing energy costs due to their fixed incomes.

Both public sector and private sector households are adversely affected by the fact that the cost of energy, in particular electricity, bottled gas and heating oil, is higher in the Highlands and Islands than anywhere else in the country. This is despite the fact that the Highlands and Islands are a net exporter of renewable energy to the national grid.

We believe that this situation is inequitable and we want to work in partnership with like-minded organisations to firstly, lobby politicians and other for changes in the price structure imposed by the energy companies and secondly to investigate other practicable ways in which we can assist in overcoming the barriers to affordable warmth. We have taken the first steps to consider how we can achieve these twin objectives and we hope to be able to report on positive progress at our next AGM.

We have submitted our annual performance figures for the period to 31 March 2014 to the Scottish Housing Regulator as part of the Annual Report on the Scottish Social Housing Charter. This is the first year of reporting in the new format and we will be publishing a 'Report Card' on our results in October 2014 which will be circulated to all of our members and tenants.

Collecting and analysing all of the data we hold on our performance across so many services can be an extremely complex and onerous task for staff but thanks to the skills of our E-Business Development Officer we have been able to produce the necessary information in an efficient way within the timescales required by our regulator and for that, we are very grateful.

Despite the continuing challenges of Welfare Benefit reforms and the introduction of Universal Credit, our staff responsible for rent collection and for managing arrears cases managed to collect more than 99% of the rent due to the Association in the last year. They are to be congratulated for this achievement

and for the effective way in which they have worked with other organisations including The Highland Council, Skye & Lochalsh CAB and the Mental Health Association. We would particularly like to thank the council staff involved in administering Discretionary Housing Payments. These payments were used throughout the year to assist all of our tenants affected by the under-occupancy charge or "bedroom tax".

Turning to North West Highland Community Enterprises Limited which I mentioned at the start of my report, this is a wholly owned subsidiary of the Association which was set up to carry out activities which the Association is unable to carry out itself due to its charitable status.

The Company is now active and has its own Board of Directors of whom 3 of the 5 Directors are members of the Management Committee of the Association.

The Company's only current activity is the letting of 5 mid-market rent properties at Dornie which it leases from the Association. The rental income received by the Company will be returned to the Association in lease costs or Management fees. All profits generated by the subsidiary Company will be returned to the Association after their costs have been allowed for.

It may well be that this Company will undertake additional activities in the future and these will be reported back to the Association's AGM as necessary.

In conclusion, you will have gathered from my report that 2013/2014 was another extremely busy but successful year across all of our services and I want to pay tribute to all of our hard-working staff who are responsible for making my job as Chief Executive so enjoyable and rewarding.

As always, our dedicated Management Committee members have been a pleasure to work with and their good advice and strong support for all of our activities is greatly appreciated.

The Highland Council, Scottish Government and NHS Highland are key partners in our activities and I thank them for their continued financial and organisational support as well as the many other local agencies, contractors and suppliers whose services we depend on.

That concludes my report for the year.

5. Annual Report and Financial Statements for the Year Ending 31 March 2014

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 decreased from £3.3 million to £3.04 million in the year, mainly due to no further shared equity properties under construction.
- Rental Income increased from £2.11M to £2.21M.
- Operating surplus decreased from £648K to £553K.
- Interest receivable has increased from £460 to £1,384.
- Interest payable down from £274K to £267K which reflects a decrease in borrowings to fund new projects.
- Net Surplus for year has decreased from £374K to £311K.

Page 8 : Balance Sheet

- Housing Properties Cost now up from £61.2M to £61.7M.
- Total Assets less Current Liabilities up from £15.0M to £15.3M.

- 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 £2.91M to £3.22M represented by:-
 - Share Capital £186
 - Designated Reserves £48K
 - Revenue Reserves £3.18M
- Our Designated Reserve is for the replacement of furniture in our properties and our Revenue Reserves are for future investment in the planned maintenance programme for our own rented housing stock.
- Thanks to Finance Services staff for their excellent work during the year and for achieving another clear audit.

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 Dick Johnston, Mrs Pat Walsh and Mr Archie MacCalman. All these members had indicated that they were willing to continue as Management Committee members and were automatically re-elected.

Mr Paul Carpenter had been nominated for election to the Management Committee and was duly elected.

8. **AOCB**

- None.

The meeting closed at 7.30 p.m.

Chairperson

