

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

MINUTES of the 33rd ANNUAL GENERAL MEETING held on
Monday, 27 June 2016 at 7.00pm at Morrison House, Portree, Isle of Skye

PRESENT: Mr J Laing (Chairperson), Mrs A Sinclair (Vice-Chairperson),
Mr I McIvor, Mr D Owen, Mrs J Turkington, Mrs A MacSween,
Mr J Ellis, Mr S Proudfoot, Mr G Gormal, Mr J A Davidson,
Mr R Liley, Mrs M Taylor, Mr D MacKenzie, Mr D MacDonell,
Mr N Campbell, Mr I Young, Mr R Beaton, Mrs M Douglas,
Ms J Anderson, Ms J Masson, Mr J Cayley, Mr J Hanley,
Mrs M Palmer, Mrs L MacIntosh, Mrs A Scholes, Mrs I MacLeod,
Mrs Moira Gillies.

IN ATTENDANCE: Mr L MacDonald (Chief Executive)

APOLOGIES: Mrs L Williams, Mr I MacKenzie, Miss I Moore, Mrs J Millington,
Crossroads Care, Mr J Campbell, Miss F Duguid, Mrs P Simmister,
Ms I Chisholm, Mrs Margaret Gillies, Mr P James, Mrs P James,
Mrs P Walsh, Ms Y Barrett.

2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (29 June 2015)

The Minutes had been circulated previously and were moved for adoption by Mrs A Sinclair seconded by Mr G Gormal and approved unanimously.

3. MINUTES OF SPECIAL GENERAL MEETING (29 June 2015)

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

4. CHAIRPERSON'S REPORT

The Chairperson gave the following report:

Welcome to the 33rd Annual General Meeting of the Association.

It gives me great pleasure to report that once again the Association has been involved in many activities which have had a positive impact on our local communities and which have benefited a large number of people across Skye and Lochalsh. The Chief Executive's report contains a lot of the detail and I am sure you will be impressed by the range of work that has been carried out and the high levels of performance that have been achieved.

Our Management Committee has been going through a process of change as a result of some retirements during the year and the need for us to expand on the range of skills and experience that we need to govern what is now a relatively large and complex business.

Mrs Pat Walsh, who was a founder member of the Association in 1983, retired after almost 33 years of dedicated service on the Management Committee – a truly outstanding level of public service.

Mr Donald MacKenzie retired from the Committee after 23 years of service and he too is a huge loss to us.

Mr Dick Johnston, who latterly was our Vice-Chairperson and also a Director on the Board of our Subsidiary Company, resigned following a move away from the Skye and Lochalsh area.

Mrs Morag Hannah resigned in April 2015 and Mr Tim Bowditch also resigned in December 2015.

All of these members deserve our grateful thanks and we wish all of them very best wishes for the future.

The good news is that we have been extremely fortunate in attracting new members to the Management Committee and Mr John Ellis, Mr Neil Campbell, Mr Jon Hanley, Mr Stephen Proudfoot, Mr Roger Liley, Mr David Owen, Ms Janet Anderson and Mr Ian Young are very welcome additions.

Following the adoption of our new Rules in 2015, we also carried out a governance review and completely re-wrote our Standing Orders to ensure that we meet the requirements of the regulatory framework of the Scottish Housing Regulator. We created a new Audit, Finance and Performance Sub-Committee under the Chairpersonship of Mr Roddy Beaton and this sub-committee provides invaluable support to the Management Committee.

Another regulatory change introduced during the year required us to completely change the way in which we produce our Financial Statements and I'm delighted to report that our Management Accountant and Finance Services staff were able to make the necessary changes in time for the audit of our 2015/16 accounts.

During the year we gained another new regulator in the form of the Pensions Regulator. As you may know, every employer is now required to have pension arrangements in place for all employees through a process known as auto-enrolment. The Management Committee approved a new Pension Policy which means that the Association is fully compliant with the Pension Regulator's requirements.

In August 2015 we were delighted to welcome Mrs Margaret Burgess, the Minister for Housing & Welfare, to open our new development at Sraid an Eorna, Portree. This project was designed as part of a multi-agency approach involving the Association, The Highland Council, Ross-shire Women's Aid, NHS Highland and Police Scotland. This is a truly innovative project which has delivered fantastic outcomes for everyone concerned, not least of which are the occupants of the properties who are delighted with their new accommodation.

Hopefully my report has given you an indication of the wide range of issues that our Management Committee have successfully dealt with during the year.

Can I, as Chairperson, thank all the Management Committee, both past and present, for their continue support. It is not a particularly onerous task being Chair but it is so much easier with your support, so, thanks all.

Now, once again, on behalf of the Management Committee, I would like to express our sincere thanks to all the staff at Morrison House from all departments for all the hard work and effort you put in to delivering the best possible service for our tenants and the wider community, you are greatly appreciated. But, of course, particular thanks to Lachie for his truly outstanding leadership, knowledge and vision that ensures the continued success of Lochalsh & Skye Housing Association.

5. CHIEF EXECUTIVE'S REPORT

The Chief Executive gave the following report:

My focus in 2015/16 has been to try and make sure that the Association delivered on the aims and objectives in our Business Plan whilst, at the same time, implementing some significant changes to the ways in which we operate. Some of these changes were planned by us and were designed to ensure that the Association was able to meet the requirements of our regulators – other changes were made as a consequence of factors that were outwith our control. I'm pleased to report that the Association has successfully managed to adapt to implement all of the required changes.

The Chairperson has mentioned the significant turnover of Management Committee members and the important role that members play in ensuring that we have the best possible governance arrangements in place. To assist us in achieving that aim, we have new annual appraisal arrangements in place for our committee members and these arrangements also result in an annual Training Plan which focuses on the training needs of members. Training is delivered regularly at our Management Committee meetings.

We have also modernised the ways in which members can have access to the information they need to carry out their duties. We have largely moved away from paper-based systems to using Wi-Fi tablets for committee papers and we have updated our web site to create a "members only" section where additional policies and procedures can be accessed more easily. Our members have reacted favourable to these changes. All of these changes were implemented by our Corporate Services Manager, Marion Douglas, whose expertise is greatly appreciated by the Management Committee members.

During the year, we undertook a review of our existing loans and also projected forward our borrowing capacity to meet the objectives of our Business Plan, particularly in relation to the borrowing required to support our proposed new housing developments throughout the area.

Following this review, we invited tenders from lenders for loan facilities of £7.2m to meet our needs in the short to medium term. We were delighted that a total of thirteen lenders submitted bids to provide the loan facilities and the successful lender is now in the process of being appointed. Not only did this review result in the Association receiving extremely competitive borrowing rates, it also demonstrated the confidence that commercial lenders have in the financial

management of the organisation and our sound financial position (as will be evidenced when we consider our Financial Statements shortly).

Our housing development programme for the year (and for the foreseeable future) is a mixture of projects delivered on our own behalf and other projects delivered on behalf of other key developers, most notably, The Highland Council.

We completed 17 flats and houses at Home Farm, Portree, which was the excellent partnership project referred to by the Chairperson in his report. This project was shortlisted by the Scottish Property Awards in the "Community Development Project of the Year" category. We also started a further 11 flats and houses at Home Farm which is the final phase of housing development of the original Home Farm site. These properties will be completed in the current year.

We worked with The Highland Council on projects at Balmacara (8 units), Harrapool, Broadford, (12 units) and Dunvegan Road, Portree, (8 units).

Future projects are planned at Broadford, Kyle, Staffin, Dornie and Portree.

The Scottish Government has announced that in the lifetime of the current Parliament it will accelerate the supply of affordable housing to deliver 50,000 affordable homes, of which 70 per cent will be for social rent. This is a substantial increase on existing levels of investment and could see a doubling of the housing development programme. The Scottish Government has also announced a range of new additional funds to assist developers (including housing associations and local authorities) to meet the new targets. We consider that the Association is well-placed to play its part in meeting the government's targets in Skye and Lochalsh and we are now in detailed discussions with both the government and The Highland Council on the way forward.

We are extremely grateful for the excellent support the Association receives from the government and other organisations, eg NHS Highland and The Highland Council. We are aware that 2015/16 was an extremely challenging year for the council as they worked to achieve significant budget savings and this process of change will continue as the council is now undertaking a re-design of its services which it aims to complete by December 2016. We will continue to work closely with all of our partner organisations to meet our shared objectives and will assist in whatever ways we can to ensure that services within Skye and Lochalsh continue to be delivered efficiently and effectively.

Last year I reported that our Handyperson Service had secured additional funding from NHS Highland and The Highland Council to enable us to employ an additional Handyperson to support our very important work in delivering TeleHealth Care services. The work done to secure this funding was recognised in November 2015 by a Highland Council Quality Award in the "Supporting Caring Communities" category. Our congratulations go to our Director of Investment and Handyperson Services Manager for the hard work which merited this Award.

During the year we also worked on a joint bid with 3 other organisations to the "Life Changes Trust" for funding to support the employment of an additional Handyperson to allow the Association to provide additional support to clients

affect by Dementia. I'm delighted to report that the funding bid has been successful and the full cost of an additional Handyperson for three years will be funded by the Trust, to whom we extend our grateful thanks. The new Handyperson is now in post.

The Association continues to work hard to support a wide range of clients who are elderly or disabled. We were involved in carrying out adaptation work to 21 of our own properties to meet a variety of needs including walk-in showers, safety rails, specialist kitchens and disabled-friendly parking areas.

Through our Care and Repair Service, we assisted 65 elderly and disabled clients in the private sector with repairs and improvements to their properties at a cost in excess of £400k. Many clients were also assisted by our Energy Advice Service which is heavily involved in the eradication of fuel poverty and which has received additional financial support from Energy Action Scotland's Fuel Poverty Alleviation Support Fund to monitor an additional 40 homes in Skye and Lochalsh which suffer from dampness and humidity issues. This work will be undertaken this coming winter.

Once again we have managed to meet the vast majority of our performance targets and I would like to highlight just some of the key outcomes from our Performance Report from last year:-

- All of our Management Committee meetings were quorate and we achieved attendance of 70%
- We responded to incoming telephone calls in an average of time 3.5 seconds.
- We re-let 49 properties in an average re-let time of 7 days.
- We completed 145 emergency repairs in an average time of 3.38 hours.
- We completed 958 non-emergency repairs in an average time of 3.86 days.
- We kept 100% of Repairs Appointments made.
- We paid 100% of invoices received by the Association within their Payment Terms.

These are excellent results and are a credit to all of our staff involved in the delivery of our services. Our key performance information is sent to tenants individually in our Annual Report on the Charter and is also available on our website.

During the year we made significant changes to our Technical Services team who are responsible for implementing our repairs and maintenance programmes. We have expanded the range of trades that we cover by directly employing our own plumbers and electricians.

These changes have enabled our Property Services staff to improve their control over the costs of our repairs and to achieve the excellent performance results mentioned above and the work carried out by our Technical and Property Services staff is to be highly commended.

Just for the record, I would report that the Association's subsidiary Company, North West Highland Community Enterprises Ltd, continues to lease five mid-market rent properties at Dornie from the Association and it made a small profit

during the year. The Accounts for the Company are available from the Association's office.

The Association also provided sponsorship for a wide range of groups and individuals and we will include details of all of this expenditure in our published Annual Report.

I would like to thank every member of staff for their hard work and dedication during the year.

Finally, I would again like to thank the Chairperson and all of the Management Committee members for their continued support and encouragement for all the work that we do.

That concludes my report for the year.

5. Annual Report and Financial Statements for the Year Ending 31 March 2016

The Chief Executive drew members' attention to the following points:-

Our Report and Financial Statements this year have been produced in accordance with new guidance called the Financial Reporting Standard 102 ("FRS102") and the Statement of Recommended Practice for Registered Social Landlords 2014. This explains why there are significant changes in the way that the accounts are presented and also why we have had to re-state the 2015 figures for comparative purposes.

➤ Page 3

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 represented to the Annual General Meeting.

The members of the Management Committee are listed on this page, as is the Company Secretary who is Lesley MacIntosh (our Finance Services Manager), and the Executive Officer who is the Chief Executive.

This page also lists our key advisers. Members should note that our auditors, RSM UK Audit LLP were formerly known as Baker Tilly UK Audit LLP.

➤ Pages 4 and 5

These pages form the "Report of the Management Committee" and describe key aspects of the organisation's work during the year and lists our relationships with other charities and organisations. Importantly, the Management Committee state that it has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future and, therefore, they continue to adopt the going concern basis of accounting.

Members will note that our auditors have agreed to offer themselves for re-appointment as auditors of the Association.

➤ **Page 6**

The “Statement of Management Committee’s Responsibilities” describes the legislative and Accounting Requirements that the Committee are responsible for complying with in respect of the preparation of the accounts and the safeguarding of the assets of the Association.

➤ **Page 7**

The “Management Committee’s Statement of Internal Financial Control” describes the policies and procedures that we have in place to provide reasonable assurance with respect to:-

- The maintenance of proper accounting records
- The reliability of information
- The safeguarding of assets

Importantly, the Management Committee confirm that having reviewed our systems of internal financial control, no weaknesses were found which require disclosure in the financial statements.

➤ **Page 8**

The “Independent Auditors Report to the Members of the Association” confirms that our auditors have carried out a full and extensive audit of the financial statements and in their opinion they give a true and fair view of the Association’s affairs.

The auditors also confirm that they have nothing to report in respect of those matters that they are required to report by exception.

➤ **Page 9**

The “Independent Auditor Report to the Members of the Association on Corporate Governance Matters” confirms that our auditor’s opinion is that we have complied with the Regulatory Standards published by the Scottish Housing Regulator.

The statements included in the auditor’s reports above should provide members with assurance that the Association’s financial statements and our financial procedures are in order.

➤ **Page 10**

Statement of Comprehensive Income

- This was referred to as the Income and Expenditure Account in previous years.

- Our turnover increased from £4.3M (as re-stated) to £6.7M. However, within this figure are amounts received and expended on behalf of other organisations, as follows:

| | | |
|---|---|-------|
| The Highland Council and Police Scotland | | |
| New Build Programmes | - | £2.2M |
| The Highland Council Care & Repair Grants | - | £418K |
| Angus Biofuels | - | £58K |

These amounts were previously shown as a debtor/creditor on the Balance Sheet.

- The Operating Surplus increased from £709K to £821K.
 - Interest receivable has increased from £7K to £11K.
 - Interest and financing costs rose from £322K to £338K which is attributable to additional borrowings to fund our housing development programme.
 - The Net Surplus for the year increased from £373K to £452K. As the Association is a Charity there is no taxation due on the surplus
- **Page 11**

Statement of Financial Position

- This was referred to as the Balance Sheet in previous years.
- Our Fixed Assets are as stated at £54M.
- Our Current Assets amount to £2.55M of which £2.26M is cash and cash equivalents.
- Current liabilities are £1.77M which fall due within one year.
- Total Net Assets have increased from £3.45M to £3.9M represented by:-

| | |
|------------------------------|------------|
| Share Capital | £189 |
| Income & Expenditure Reserve | £3,899,151 |

- Members are advised that if they wish to receive the full 29 page copy of the Report and Financial Statements, these are available free of charge from the Association's offices or they can be viewed on our web site www.LSHA.co.uk.

Members **noted** the report.

6. **Appointment of Auditors**

The Chief Executive reported that RSM 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 Mrs A Sinclair, Mr Paul Carpenter and Mr Roddy Beaton. All members had indicated that they were willing to continue as Management Committee members and were automatically re-elected.

Mr John Ellis, Mr Jon Hanley, Mr Neil Campbell, Mr David Owen, Mr Ian Young, Mr Steven Proudfoot, Mr Roger Liley, Mr John Cayley and Ms Janet Anderson, who had filled a casual vacancies during the year, were also elected.

8. **AOCB**

➤ None.

The meeting closed at 7.30 p.m

Chairperson

