

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

MINUTES of the 34<sup>th</sup> ANNUAL GENERAL MEETING held on  
Monday, 26 June 2017 at 7.00pm at Morrison House, Portree, Isle of Skye

---

**PRESENT:** Mr J Laing (Chairperson), Mrs A Sinclair (Vice-Chairperson),  
Mr I McIvor, Mr T Dew, Mr G Gormal, Mrs M Taylor, Mrs L Williams,  
Ms L Kirkwood, Mrs M Douglas, Miss F Duguid, Mrs M Palmer,  
Ms L Hellon, Mr R Liley, Ms Y Barrett, Ms J Anderson,  
Mr S Proudfoot, Mr I Young, Mr J Hanley, Mrs A MacSween,  
Mrs Moira Gillies, Ms J Masson, Mr N MacLean, Ms M Hannah  
(Citizens Advice Bureau), Mr J A Davidson, Mr R MacKinnon.

**IN ATTENDANCE:** Mr L MacDonald (Chief Executive)

**APOLOGIES:** Mr R MacDougall, Mrs A Scholes, Mr J Campbell, Mrs P Simmister,  
Miss J MacPherson, Mrs I MacLeod, Mr D Morrison, Mr J Ellis,  
Mrs J Millington, Crossroads Care, Mr P James, Mrs P James,  
Ms I Chisholm, Mrs P Walsh, Mr P Carpentar, Mr J Cayley,  
Mr D Gillies, Mrs J Turkington, Mr I MacKenzie, Mr D MacDonell,  
Mr D MacKenzie, Mrs L MacIntosh, Skeabost & District Community  
Council, Mr D Owen, Mrs M Gillies, Mrs M MacPhee.

**2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (27 June 2016)**

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

**3. CHAIRPERSON'S REPORT**

The Chairperson gave the following report:

Welcome to the 34<sup>th</sup> Annual General Meeting of the Association.

I'm delighted to be able to report that the Association has made excellent progress throughout the year towards meeting our aims and objectives. The Chief Executive will provide some facts and figures in his report which will demonstrate some of the positive outcomes that have been achieved.

Our Management Committee meetings have been held regularly and have been well attended. We also have a training plan in place to help ensure that all of our committee members are aware of their role and responsibilities. Training also helps us keep up to date with the requirements of the regulatory and financial management framework that we operate within. We are closely scrutinised by our regulators and it is pleasing to report that we have again been awarded "low engagement" status with the Scottish Housing Regulator which is a measure of their confidence in the way in which we conduct our business.

Good governance is a constant consideration of the Management Committee and we take our role as the employers of staff very seriously. It is important that we make sure that the Association has suitably qualified and experienced staff in place to deliver all aspects of our operations efficiently and effectively and all staff are encouraged to undertake training that is suitable for their needs. We also make sure that we have due regard to the Health & Safety of our staff members and others who work for us and regularly review our policies and procedures. An external audit of our health and safety arrangements was carried out during the year and resulted in a very satisfactory report.

We make a point of regularly reviewing our staff structure and through good forward planning we recruit new staff timeously to meet the needs of the organisation. We now employ 37 members of staff and with a turnover in excess of 6 million pounds, we are now a significant business within the local economy.

The growth in our staff numbers reflects the wide range and growth in the activities that we undertake. Last year we reported that we expected to receive a doubling of the grant money for new housing from the Scottish Government. That has now come to fruition and our Business Plan now aims to deliver 180 new houses and flats throughout Skye and Lochalsh within the next five years. Many of these projects are currently under construction and we have also been working hard to land bank new sites that will be developed through the period of our Business Plan. All of this work is designed to make sure that we meet our basic aim which is to provide affordable housing solutions for those in housing need throughout the area.

There were two retirements from our Management Committee during the year and we were extremely sorry that Archie MacCalman and Roddy Beaton had to leave us. They were both extremely valued members of the Committee and we wish them well for the future.

As always, there will be a range of new challenges for the Association during the next year including changes in the political landscape at Highland, Scotland and Westminster levels and, of course, we need to be aware of the potential impacts that Brexit may have. We do try and make sure that we keep up to speed with all of these changes and we believe that our plans are flexible enough and we have sufficient human and financial resources to help us cope during challenging times.

Finally, I would like to thank my fellow members of the management committee for your support over the year and also for your interest and enthusiasm in the workings of the Association, your various specialities ensure that we have a first class Management Committee.

But most of all my special thanks to all our valued staff here at Lochalsh & Skye Housing Association. You are the folk that deliver the service to all our customers and ensure that we continue to deliver a first class service for Lochalsh and Skye and the wider Community.

And, of course, special thanks to Lachie and his senior management team; their wise counsel and sound management keep Lochalsh and Skye as one of the top Housing Associations in Scotland.

## 5. CHIEF EXECUTIVE'S REPORT

The Chief Executive gave the following report:

During 2016/17, we spent £2.5M on developing new housing for affordable rent on our own behalf and a further £1.3M on behalf of the Highland Council on their housing programme which we project manage for them. This funding has contributed towards 8 new flats at Dunvegan Road, Portree, 11 new houses and flats at Home Farm, Portree, 11 flats at Strath House in Broadford and 6 houses at Dornie.

A contract for a further 24 houses at Campbell's Farm in Broadford has also been let and works will commence shortly.

As well as building new properties during the year, we took the opportunity to use the additional funding made available to us by the Scottish Government to landbank sites for future development. Our Development Services staff have secured sites at the former Mace store at Main Street in Kyle for housing and commercial development, a site at Caberfeidh in Broadford for 34 houses and a site at Sluggans in Portree for 17 houses. We have also purchased the former Hydro building at Main Street, Kyle, for future development. In addition to this spend on our new build programme, we spent more than £350K of grant on our Care & Repair activities which assisted elderly and disabled clients in the private sector.

We are actively looking to add new sites to our landbank in Staffin, Raasay, Kyleakin and Portree. From all of the foregoing you can see that it has been an extremely busy period for our Development and Technical Services staff and they are to be congratulated on their performance.

I'm also delighted to report that The Highland Council have chosen to name the new development at Home Farm, Portree, "Pat Gordon Place", in recognition of the late Mrs Pat Gordon MBE who was a founder member of the Association and our long-standing Company Secretary. She was also a tireless supporter of many organisations in the voluntary sector and this gesture by the Council is a fitting tribute to her memory.

In our Report and Financial Statements, you will note that we make reference to our involvement with two other housing organisations operating throughout the Highlands. The Association is a part-owner with five other Highland Registered Social Landlords and The Highland Council of The Highlands Small Communities Housing Trust and also The Highland Alliance. We are represented on the Boards of both of these companies which are making a significant contribution towards meeting housing need across Highland. The Highland Housing Alliance alone had a turnover of £10.1M in 2016 and all surpluses made by these two companies are re-invested into new housing developments in Highland.

Our Planned Maintenance expenditure (which was £232K last year) is designed, amongst other things, to ensure that we meet the Scottish Government's Energy Efficiency Standard for Social Housing by the target date of December 2020. We report to the Scottish Housing Regulator on an annual basis on the progress we are making towards meeting the standard. In the last year, 411 of our 625

houses were deemed to meet the standard and it is our ambition to fully comply with the standards well in advance of the government's deadline.

All of our Services have had an extremely busy year and we have been recruiting new staff and re-deploying some others to help us make sure that we meet the aims and objectives of our Business Plan.

Michael Taylor joined us in April 2016 as an additional Handyperson and his appointment has allowed us to widen this Service to target the individual needs of those clients with dementia.

Laura Campbell, our Clerical Assistant, has re-trained as an Energy Adviser and our Energy Advice Services team now comprises 3 members of staff delivering affordable warmth advice not only to our tenants but also to clients in the wider community.

Alex Macleod joined us as a Tenant Adviser in August 2016 from Citizens Advice and his work involves targeting those tenants affected by Welfare Benefit Reforms and, in particular, the introduction of Universal Credit. It is vitally important that we help our tenants to sustain their tenancies through these difficult times and minimise rent arrears losses.

Anna Pophankin and Jennifer MacInnes have joined our busy Development Services team who are meeting the challenge of spending the additional housing grant money made available to us by the Scottish Government.

Angus Neil MacDonald joined us in December as a replacement plumber and Lesley Kirkwood joined us in February 2017 as Legal Services Manager helping to support all of our Services with advice and assistance on legal issues. We welcome the wide range of skills and experience that Lesley has brought to the organisation.

Finally, just before the end of our financial year, Christina MacKinnon was appointed as a Property Services Clerical Assistant and is a very welcome addition to that team.

As the Chairperson has reported, we do continually review our staffing resources to try and make sure that we are able to meet our performance targets and to provide the best possible level of service to our many customers.

Our performance against our targets is reported to the Scottish Housing Regulator annually and we also include the results within our Annual Report which is sent to all tenants and made available on our website.

I want to mention just some of the key performance indicators that we reported on in 2016/17:-

- We responded to incoming telephone calls in an average of 3.8 seconds
- The percentage of days lost through staff sickness was 1.22%
- We carried out more than 1000 reactive repairs in an average time of 3.76 days (target is 5 days)
- We dealt with 108 emergency repairs in an average of 3.1 hours (target is 8 hours)
- We kept 100% of Repair Appointments made

- We paid 100% of invoices within their Payment Terms
- We lost 0.2% of our rental income through void properties – our target is less than 1%

These excellent results reflect the hard work and flexible attitude of all of our staff members.

There are a couple of miscellaneous items that I need to include in my report:- The Association's subsidiary Company, North West Highland Community Enterprises, 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 totalling £2,398 to six groups and individuals in the year and we will include details of all of this expenditure in our published Annual Report.

Finally, I would like to thank every member of staff for their hard work and dedication during the year and for making my job as Chief Executive so rewarding; and

Thanks to the Chairperson and all of our voluntary Management Committee members for their continued support and encouragement.

That concludes my report for the year.

## **5. Annual Report and Financial Statements for the Year Ending 31 March 2017**

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

Our Report and Financial Statements were considered and approved by our Management Committee on 19 June 2017.

### **➤ 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 the Report and Annual Financial Statements are presented 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 Lachie MacDonald (the Chief Executive). Our key advisers are also listed.

### **➤ Pages 4 and 5**

These pages form the "Report of the Management Committee" and describe key aspects of the Association's work during the year and lists our relationships with other charities and organisations, namely:-

The Highland Housing Alliance  
The Highlands Small Communities Housing Trust, and

North West Highland Community Enterprises, our subsidiary trading Company.

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 financial statements 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 used within the Association or for publication
- The safeguarding of assets against unauthorised use or disposition

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

- Our turnover decreased from £6.7M to £6.0M due to a reduction in the number of development projects carried out for other organisations.
- Our Operating Expenditure decreased from £5.9M to £4.7M.
- The Operating Surplus increased from £821K to £1,296K.
- Interest receivable has increased from £11K to £21K.
- Interest and financing costs reduced from £338K to £331K.
- The Net Surplus for the year increased from £452K to £890K. Within this figure, there was a decrease to the Association's pension liability of £421K as a consequence of the improved performance of our Pension Scheme.
- As the Association is a Charity there is no taxation due on the surplus.

➤ **Page 11**

Statement of Financial Position

- Our Fixed Assets are as stated at £55.2M, up from £54M.
- Our Current Assets amount to £4.57M of which £4.35M is cash and cash equivalents.
- Our Total Assets Less Current Liabilities have increased from £54.7M to £58.1M.
- Total Net Assets have increased from £3.89M to £4.78M represented by:-

Share Capital	£183
Income & Expenditure Reserve	£4,789,504

- 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](http://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 Mr John Laing, Mr John Ellis and Mr Jon Hanley. All members had indicated that they were willing to continue as Management Committee members and were automatically re-elected.

- Prior to the conclusion of the meeting, the Chief Executive asked members to note the excellent work carried out year-on-year by Mrs Aggie MacSween, the Personal Assistant, in respect of the organisation of all of the papers for the meeting, the collation of responses from the membership together with the co-ordination of catering and other matters that enable the event to take place to smoothly. The Chairperson thanked Mrs MacSween profusely for all her work and led the members present in a round of applause.

The meeting closed at 7.30 p.m

---

Chairperson .....  .....