

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

MINUTES of the 35th ANNUAL GENERAL MEETING held on
Monday, 25 June 2018 at 7.00pm at Morrison House, Portree, Isle of Skye

PRESENT:

Mr J Laing (Chairperson), Mrs A Sinclair (Vice-Chairperson),
Mrs J Turkington, Ms M Muir, Mr W Gordon, Mr G Gormal,
Ms L Kirkwood, Mrs I MacLeod, Mrs M Palmer, Mrs L MacIntosh,
Ms J Anderson, Mr R Liley, Miss F Duguid, Mrs P Simmister,
Mr I McIvor, Mr I Young, Mr R MacKinnon, Mrs Moira Gillies,
Mrs A MacSween.

IN ATTENDANCE:

Mr L MacDonald (Chief Executive)

APOLOGIES:

Mrs M Douglas, Mrs A Scholes, Mr T Harvey, Mr I MacKenzie,
Mr J Campbell, Mr R MacDougall, Mr J Cayley, Mrs L Williams,
Ms I Chisholm, Mrs J Millington, Crossroads Care, Mr P James,
Mrs P James, Mrs S Fenlon, Mr D MacPherson, Mrs M Gillies,
Miss J MacPherson, Mr S Proudfoot, Ms M Drysdale, Mrs P Walsh,
Mr D MacDonell, Mr D MacKenzie, Mr R Wilson, Mr D Gillies,
Am Fasgadh, Mrs M Taylor, Ms M Hannah (Citizens Advice
Bureau), Mr H MacDonald, Mr P Carpenter, Ms J Masson,
Mr N MacLean.

2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (26 June 2017)

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

3. CHAIRPERSON'S REPORT

The Chairperson gave the following report:

Welcome to the 35th Annual General Meeting of the Association.

It has been an extremely busy year for the Association right across the organisation and our Management Committee members are to be commended for the efficient way in which they have dealt with the volume of business which is ever increasing as we grow and expand.

In addition to monitoring our progress against our existing Business Plan targets, a great deal of Committee time and effort is spent on ensuring that we are planning ahead to meet any new challenges that we face. By planning properly and taking action quickly to address new issues, we aim to reduce the risks that can affect an organisation of our size and complexity. Some of the significant issues we have addressed this year include new legislation changing our tenancy

agreements, new energy efficiency standards for our housing stock, new procurement rules and changes to data protection legislation.

All of these issues have to be given careful consideration by the Committee before new policies and procedures are agreed and I am pleased to report that we have made excellent progress in this regard.

Members of the Association may be aware that there has been considerable comment in the media over the last year regarding the impact that the surge of tourism has been having in the area and, in particular, the impact on the availability of housing. This has affected those in urgent need of affordable rented housing who are on the Highland Housing Register and those who have been assessed as homeless and in priority need for accommodation.

Whilst there have been many inaccuracies in the media reports, it is true to say that many properties in the private sector that were previously available for use for homeless accommodation are no longer available to the Council. The Association and The Highland Council are working well in partnership to address the shortage of affordable housing in Skye and Lochalsh by increasing the supply of housing through new housing building in order to eliminate homelessness at the earliest possible date. This will also allow us to provide housing for those in priority need, including those affected by overcrowding or dampness and those living in temporary accommodation or in properties in a poor state of repair. The Chief Executive will provide more detail on the progress being made to achieve our house building objectives.

Whilst we didn't increase the number of our office-based staff during the year, we did add three new employees to our Technical Services team who are responsible for the repair, maintenance and improvement of our housing and other property assets. We have extended the range of trades that we employ in-house and we now have our own electrician and two new Estate Management staff who carry out all of our ground maintenance. They are very welcome additions to our staff team.

There were three retirements from the Management Committee during the year and I thank Mr John Ellis, Mr Neil Campbell and Mr David Owen for their contribution to the work of the Association.

Ms Maggie Muir joined our Management Committee in the year and we welcome the knowledge and expertise she brings to the meetings.

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.

And, finally, as I have served as Chairperson for a period of five years, our Rules require me to step down as Chairperson but I do propose to continue to serve on the Management Committee. A new Chairperson will be elected at the next meeting of our Management Committee on Monday, 20 August 2018.

So, once again, on behalf of the Management Committee, I would like to thank all the staff here at Morrison House for your tireless hard work over the year for the

benefit of our tenants and, of course, particular thanks to Lachie and his team for their unfailing support and expertise the ensures that Lochalsh and Skye Housing Association maintains its position as one of the top Rural Housing Associations.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive gave the following report:

We are working on the largest programme of affordable rented housing development that we have undertaken in recent times and we have projects under construction or being planned right across Skye and Lochalsh.

In the year to 31 March 2018, we spent £5.6M on new housing on our own behalf and just under £1M on behalf of The Highland Council. We also invested more than £½M on improving our existing properties. Our Care and Repair Project spent £335K of grants on repairs and improvements to properties occupied by elderly and disabled clients in the private sector.

This was in addition to the £140K we spent on 25 of our own properties to provide disabled adaptations. These are significant levels of investment which help to secure employment in the local construction industry and provide a boost to the local economy. Looking ahead to the size of the workforce that the Association, itself, will need to look after our own properties, it has been decided to launch a programme of Modern Apprenticeships and, as a starting point, we hope to recruit two joiner apprentices in Summer 2018.

We added 17 new build properties to our stock, 11 at Pat Gordon Place, Portree, and 6 at Aitemore Road, Dornie. A further 7 properties were purchased from the National Trust for Scotland at Balmacara Steadings. We were delighted that Mr Willie Gordon and family members were able to join us in July 2017 at the formal opening of Pat Gordon Place. It was a memorable day and hopefully a fitting tribute to our former Management Committee member who did so much on behalf of the Association.

At the year-end we had 24 properties under construction at Campbell's Farm in Broadford which are due to be completed in Autumn 2018. A further 13 flats and 2 commercial units were under construction at Main Street, Kyle, and these are due to be completed in Spring 2019.

Fourteen properties at Kyleakin, 45 houses and flats in Portree and 5 flats in Kyle are all due to start construction in 2018. The projects currently under construction, together with those in the tender pipeline, will add a further 101 properties to our housing stock. As the Chairperson has reported, this is evidence of our strong commitment to dealing with homelessness and priority housing need as quickly as possible. We thank the Scottish Government and The Highland Council for their continued Grant support for our housing programme and also our lenders and, in particular, the Triodos Bank who provide the private finance we need.

We have a well-developed Asset Management Strategy which is designed to make sure that all of our housing stock is maintained to a high standard and we have to set aside sufficient funds each year to ensure that we are able to carry

out these works when they are due. As well as carrying out day-to-day repairs, we have an active programme of replacement kitchens, windows and doors to continuously modernise our stock.

We carry out the vast majority of these works using our own Property and Technical Services teams as this allows us to reduce costs through savings in VAT and from discounts we can negotiate with trade suppliers on materials. By organising our own workforce we are also better able to achieve excellent quality control standards and to achieve high levels of customer satisfaction.

Customer satisfaction is very important to the Association and we measure our performance against targets and report on this regularly to our Management Committee. We also report annually to the Scottish Housing Regulator who measure the performance of all housing associations and we always make their reports available to our tenants and others. You can find out more information on our performance targets and results by reading our Annual Report (which we send to all of our tenants, sharing owners and members) or by checking our website.

Some of the key performance indicators that we reported on in 2017/18 included:-

- We responded to incoming telephone calls in an average of 3.8 seconds
- The percentage of days lost through staff sickness was 2.72%
- We carried out more than 1100 reactive repairs in an average time of 3.45 days (our target is to carry these out within 5 days)
- We dealt with 151 emergency repairs in an average of 3.28 hours (our target is to carry these out within 8 hours)
- We kept 100% of Repair Appointments made
- Our Handyperson Service carried out more than 3,000 tasks in the year, which is a record number
- We paid 99% of invoices within their Payment Terms
- We lost 0.36% of our rental income through void properties (our target is to achieve less than 1%)
- We re-let 72 properties during the year in an average time of 10 days.
- The percentage of tenants who felt their property represents good value for money was 95%
- Our gross rent arrears as a percentage of rent due for the year was 2.47%

All of these excellent results are a reflection on the hard work and professionalism of all of our staff and they are all to be commended for their efforts.

There are a couple of 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 £2,500 to five 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. I would also like to thank all of our voluntary Management Committee members for their continued support and encouragement and, in particular, to record my gratitude to John Laing, our retiring Chairperson, for all his help during the last five years that he has served as Chairperson.

That concludes my report for the year.

5. Annual Report and Financial Statements for the Year Ending 31 March 2018

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

Our Report and Financial Statements were considered and approved by our Management Committee on 18 June 2018.

➤ 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. At the end of the year we had nine members of the Management Committee and no co-optees.

➤ 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.

Under the heading "Going Concern", on page 4, 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. The statement has been signed by the Secretary and is dated 18 June 2018.

➤ **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. This statement has also been signed by the Secretary and dated 18 June 2018.

➤ **Pages 8 and 9**

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. This statement has been signed by our auditors and dated 20 June 2018.

➤ **Page 10**

The final statement is called 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. This is signed by our auditors and dated 20 June 2018.

All of 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 11**

Statement of Comprehensive Income

- Our turnover decreased from £6.0M to £5.7M due to a reduction in the number of development projects carried out for other organisations.
 - Our Operating Expenditure increased from £4.7M to £5.0M.
 - The Operating Surplus decreased from £1,297K to £711K.
 - Interest receivable has increased from £21K to £25K.
 - Interest and financing costs increased from £331K to £338K.
 - The Net Surplus for the year decreased from £890K to £342K. However, within this figure last year, there was a decrease to the Association's pension liability of £421K as a consequence of the improved performance of our Pension Scheme. This is the main reason why there has been a reduction in the net surplus compared to last year.
 - As the Association is a Charity there is no taxation due on the surplus of £342K.
- **Page 11**

Statement of Financial Position

- Our Fixed Assets are as stated at £59.9M, up from £55.3M last year.
- Our Current Assets amount to £4.2M of which £4.0M is cash and cash equivalents.
- Our Total Assets Less Current Liabilities have increased from £58.1M to £62.3M.
- Total Net Assets have increased from £4.78M to £5.13M represented by:-

Share Capital	£176
Income & Expenditure Reserve	£5,131,611

- 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. We will be tendering for future audit services after this year.

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 Steven Proudfoot, Ms Janet Anderson and Mr Ian Young. All members had indicated that they were willing to continue as Management Committee members and were automatically re-elected.

Ms Maggie Muir, who had filled a casual vacancy during the year, was also elected.

The meeting closed at 7.30 p.m

Chairperson

A Sinden¹