

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

MINUTES of the 38th ANNUAL GENERAL MEETING held on
Monday, 19 July 2021 at 2.00 pm by Zoom

PRESENT: Mrs A Sinclair (Chairperson), Mr I Young (Vice-Chairperson), Mr I McIvor, Mrs M Douglas, Mr G Gormal, Mrs I MacLeod, Mr D Clapham, Mrs Moira Gillies, Mr J Lamont, Ms L Kirkwood, Mrs A MacSween, Ms G Sherwood, Mrs M Palmer, Mr Iain Lewis, Mrs L Williams, Mr J Cayley, Mrs P Walsh, Mr A MacCalman, Mr S Proudfoot, Ms F Thomson, Miss F Duguid, Ms J Masson, Mr R Liley, Ms M Hannah (Citizens Advice Bureau), Mr A Jones, **Proxy forms:** Mr R MacKinnon, Mrs L MacIntosh, Mr P James, Mrs P James.

IN ATTENDANCE: Mr L MacDonald (Chief Executive), Miss A Jagger (CSA)

APOLOGIES: Ms M Drysdale, Mr I MacKenzie, Ms C MacFarlane, Mrs J Turkington, Miss H MacPherson, Ms Y Barrett, Mr C MacLean, Mrs S MacLean, Mr D Gillies, Mr J Ellis, Mr H MacDonald, Mr J Davidson, Mr J Campbell, Mrs J Millington, Crossroads Care, Mr D MacPherson, Sconser Community Council, Mrs S Fenlon, Mr J Finlayson, Mr D MacDonnell, Mr W MacRae, Mr R Wilson, Mr G Ingall, Mrs L Ingall, Mrs P Simmister, Mr R Hill, Mr R MacDougall, Ms D Campbell.

2. MINUTES OF THE SPECIAL GENERAL MEETING (29 September 2020)

The Minutes had been circulated previously and were moved for adoption by Alex Jones seconded by George Gormal and approved unanimously.

MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (29 September 2020)

The Minutes had been circulated previously and were moved for adoption by David Clapham seconded by Ian Young and approved unanimously.

3. CHAIRPERSON'S REPORT

The Chairperson gave the following report:

Welcome to the 38th Annual General Meeting of the Association. This is the second year that our AGM has been held as a "virtual" meeting and my report will cover the period to 31 March 2021.

As you would expect, the Coronavirus pandemic and the restrictions that were introduced by the Government, have had a significant impact on some of our

activities during the year but I am pleased to report that we were able to provide the vast majority of our services to tenants and others, efficiently and effectively.

Throughout the year, more than 90% of our office-based staff worked from their homes and indeed continue to do so. All of our Board and Sub-Committee meetings took place remotely, as did all of the regular business meetings undertaken by our staff members.

To ensure the health and safety of our staff and customers, we introduced comprehensive risk assessments and Covid checking procedures and these will remain in place for as long as they are necessary. Access to our offices in Morrison House also continues to be very restricted but we have been able to make suitable alternative arrangements for those customers who need to have face-to-face meetings with a member of staff.

During the year, the Board and staff have had to pay particular attention to our Business and Financial Plans and these have been regularly reviewed and adjusted to make sure that our business model remains sound and the risks from the pandemic were minimised. I am delighted to report that, following our Annual Audit, there were no audit findings of any concern to the Association and our Financial Statements are, once again, unqualified.

We were required to halt our new build development programme in the period April to August 2020 but, despite this, we still managed in the year to achieve 29 completions and a spend of £5.7 million. In addition, a further 84 properties were under construction.

Due to restrictions, we were only able to carry out emergency and essential repairs within our properties. This resulted in the Association furloughing some of our Property and Technical Services staff during the restricted period. We have adjusted our Asset Management Programme to ensure that we can catch up on outstanding repairs and maintenance as soon as possible when full staffing has resumed.

Our Care & Repair and Handyperson Services were able to deliver all essential works during the year. We expended £225K of Highland Council Grant on Care and Repair projects for elderly and disabled clients.

The Energy Advice Service had an extremely busy year and their work is vital in supporting our Asset Management activities. The energy efficiency data collected by the team in respect of our own properties will be essential in helping the Association to plan ahead for new energy efficiency targets being set by the Scottish Government. The team has also been involved in a Humidity Management Project which will help the Association better understand the impact of under-heating and under-ventilating in our properties and to plan to improve the position for those tenants affected by this issue.

In the last year we housed directly 73 households. Of these, 33 households were housed in South Skye and Lochalsh and 40 households in North Skye and Raasay. We have a duty to assist The Highland Council in dealing with homelessness and 47 of the households were categorised as homeless so we are having a significant impact on this difficult problem.

We shall provide further details on the performance of all our Services in our published Annual Report which will also include details of our performance relative to the requirements of the Scottish Social Housing Charter. In addition, I can confirm that we provided the Scottish Housing Regulator with our Annual Assurance Statement and at the year end they confirmed that we had achieved “compliant” status.

In June 2020 we took a decision to re-name the Association’s governing body from “Management Committee” to “Board”. We felt that this change better reflected the current role and work of the Directors. I can also report that the new Rules of the Association that were approved at a Special General Meeting in September 2020 were formally approved and adopted by our regulators and are now in force.

The members of the Board have continued to be extremely active and an unexpected benefit of remote working has been to improve our already excellent attendance record to a remarkable 86% in the last quarter of the year. Clearly, travel and weather difficulties can be overcome by meeting remotely. Ms Maggie Muir and Mr Roger Liley retired from the Board in September 2020 but we were pleased to add Professor David Clapham, Professor Ron Hill and Mr Iain Lewis to the Board during the year.

On the staffing front, Mr Graeme Coull joined us as Director of Finance Services in January 2021 and Mr Ken Goddard, our consultant Management Accountant, retired at the end of March 2021, after many years of association with LSHA.

All in all, it has been a challenging year for everyone connected to the Association. We have done our best to try and provide as much information and support to our tenants, staff and Board members that we could and we shall continue to do so.

I would like to thank the members of the Board for their support and contributions throughout the year; also to all the staff whose efforts enable the Association to continue to function so well and lastly our tenants for their understanding and appreciation of the services provided by the Association.

I cannot finish this report without mentioning that this will be the last AGM with Lachie MacDonald as our Chief Executive as he will be retiring in September. Lachie was the first employee of the Association and has led it so well over the years, growing from 4 properties in 1986 until the present day, with a stock of 750 homes, an expanding development programme and a workforce of 46. Under his leadership, LSHA has gained an excellent reputation not only in the Highlands and Islands, but also across the whole of Scotland. He will be greatly missed but we wish him all the best for his future endeavours.

That concludes my report for the year.

4. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021

The Chief Executive presented the following report:-

Our Report and Financial Statements were considered and approved by our Board on 28 June 2021 and are presented to you at this Annual General Meeting in final form.

➤ Page 3

As the Association is a Charity, the individuals referred to collectively as our Board 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 Board 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 ten members of the Board and no co-optees.

➤ Pages 4 - 8

These pages form the “Report of the Board” and describe key aspects of the Association’s work during the year. We also list our relationships with other charities and organisations, namely:-

The Highland Housing Alliance
Communities Housing Trust, and
North West Highland Community Enterprises, our subsidiary trading Company.

On page 5, under the heading “Going Concern”, the Board reports that it has concluded that the present arrangements are adequate for the Association to meet its liabilities as they fall due for the foreseeable future. Accordingly, it continues to adopt the Going Concern basis in preparing the financial statements.

The report also now includes an expanded narrative on the Association’s Risk Management Plan.

➤ Page 9

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

➤ Page 10

The “Board’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 Board confirm that having reviewed our systems of internal financial control, no weaknesses were found which require disclosure in the financial statements.

➤ Page 11

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 12 and 13

This final statement is called the “Independent Auditor Report to the Members of the Association on Corporate Governance Matters” and it confirms that our auditor’s opinion is that we have complied with the Regulatory Standards published by the Scottish Housing Regulator. 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 14

Statement of Comprehensive Income

- Our turnover fell from £5.13M to £5.0M.
- Our Operating Expenditure showed a slight increase from £4.37M to £4.38M.
- The Operating Surplus increased from £738K to £743K.
- Interest receivable has decreased from £17K to £6K.
- Interest and financing costs decreased from £532K to £511K.
- The Net Surplus for the year rose from £224K to £240K.
- As the Association is a Charity there is no taxation due on the surplus of £240K.
- Under “Other Comprehensive Income” there is an adjustment of £587K which relates to actuarial losses in respect of the pension scheme.

➤ Page 15

Statement of Financial Position

- Our Fixed Assets have increased from £70.5M to £74.9M.
- Our Current Assets amount to £5.10M of which £4.87M is cash and cash equivalents.
- Our Total Assets Less Current Liabilities have increased from £66.3M to £72.0M.
- Long-term Creditors, which include loans and deferred housing grants have increased from £65.9M to £71.5M.

- Total Net Assets have reduced from £5.99M to £5.64M represented by:-

Share Capital	£172
Income & Expenditure Reserve	£5,643,156

Members are advised that if they wish to receive the full copy of the Report and Financial Statements, these are available free of charge by post or they can be viewed on our web site www.LSHA.co.uk.

Members **noted** the report.

5. Appointment of Auditors

The Chairperson reported that RSM UK Audit LLP had been appointed on a five-year Contract and their appointment for this year was approved.

6. Election of the Board

In accordance with the Rules, three members of the Board were due to retire in rotation and these were Mr John Laing, Ms Liz Williams and Ms Isabelle Campbell. Mr J Laing intimated that he did not wish to be re-elected but, as we do not exceed the 15 members allowed on the Board, both Ms Liz Williams and Ms Isabelle Campbell who had indicated that they were willing to continue as Board members were automatically re-elected.

The following member was appointed during the year to fill a casual vacancy and has been nominated for election:-

Mr Iain Lewis

The following member has also been nominated for election:-

Ms Euphemia Thomson

These members are also elected.

Members **noted** the position.

The Chairperson thanked John Laing for all the work he did on behalf of the Board and wished him well for the future.

A member commented on the retirement of the Chief Executive and said that they had met him when he joined the Association and how he had successfully helped LSHA in growing from a small organisation with four houses in Glendale to what it is now.

The meeting closed at 2.30 p.m.

Chairperson *A. Suckle*