

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

MINUTES of the 39th ANNUAL GENERAL MEETING held on
Monday, 18 July 2022 at 2.00 pm by Zoom

PRESENT: Mrs A Sinclair (Chairperson), Mr I Young (Vice-Chairperson),
Mr D Clapham, Mr Iain Lewis, Mr D Fergusson, Ms E Johnston,
Ms L Williams, Mr K Wong, Mr R Brown, Mr R Sarkar,
Mrs M Douglas, Mrs I MacLeod, Mrs M Gillies, Ms L Kirkwood,
Mrs M Taylor, Mrs A MacSween, Mrs P Walsh, Miss F Duguid,
Mr R Liley, Mrs M MacRaild, Ms M Hannah (Citizens Advice
Bureau), Mr G Morgan, Mr I MacKenzie, Mr L MacDonald,
Mr R Nairn, Mr J Watson, Ms M Hannah.
Proxy forms: Mr R MacKinnon, John Lamont, Ms G Sherwood.

IN ATTENDANCE: Neil Clapperton (Chief Executive).

APOLOGIES: Mr G Gormal, Mr S Proudfoot, Ms M Drysdale, Mrs J Turkington,
Mr P James, Mrs P James, Ms L MacIntosh, Mrs J Millington,
Crossroads Care, Mr R Muir, Mr J Campbell, Mr J Davidson,
Mr J Ellis, Ms L Hellon, Mr D Gillies, Mrs P Simmister,
Sconser Community Council, Mr T Harvey, Mr D Campbell,
Mrs I Campbell, Mr S Gwyn Davies, Ms S Ladlow, Ms F Thomson,
Mr D MacKenzie, Ms Y Barrett, Mr R MacDougall, Ms L Richards,
Neil MacLean.

2. **MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (19 JULY 2021)**

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 welcomed the members to the 39th Annual General Meeting of the Association and gave the following report:

My report on this year past will cover a very eventful period from April 2021 to 31 March 2022, and reflects a changed world for Lochalsh and Skye.

In the Spring of 2021 we still had pandemic measures in place, but the roll out of vaccination meant that we could attempt to catch up with delayed repairs and investment, and ease restrictions on services to tenants. However a wave of Covid infections amongst staff meant that a return to normal was not smooth, but we are there now.

Learning from the pandemic, when home working was forced on us, we adopted a hybrid approach to Board meetings and a blended use of home and office working

for staff and service delivery. Covid also taught us how important people and relationships are in a rural community and also working in the Association.

In that momentous year, retirement became a bit of a trend. In the Spring we saw our IT champion, Marion Douglas, depart and Alison Taylor join us as the new Corporate Services Manager. In September, Lachie MacDonald, our founding CEO hung up his boots after a glorious career. As a Board we salute his exceptional contribution to the Association throughout its whole existence, making it one of the most respected and visionary small housing associations in the country, and a true community anchor. In his place we welcomed Neil Clapperton, as our new CEO. With his wide experience in the housing sector, he has brought a fresh pair of eyes to the challenges and issues affecting not only the Association but Lochalsh and Skye in general.

We also invested in the future with new roles to support tenants and improve maintenance and we were joined by a new Tenant Engagement and Support Manager, Lowri Richards, and Property Modernisation Officer, Paul Denham.

Other changes this year saw Morag Palmer (Property Services Assistant), Gavin Convery (Property Services Officer) and Iain MacKinnon (Technical Assistant) leave the Association; with Iona Mackay recruited to replace Morag and David Hancock replacing Gavin.

We were all shocked and saddened by the untimely death of Donnie Martin, our Care & Repair Officer, in such tragic circumstances. He was a greatly respected member of staff and was held in high regard by the whole community.

We shall very much miss those who left us but we are excited to work with the new faces in the Association.

There were also changes on the Board. Our former chair John Laing and members John Cayley, John Finlayson and Professor Ron Hill departed the Board, and we thank them for their commitment and contributions to the Association. We also welcomed Faye Thomson to the Board and started a successful recruitment drive for new Board members which now has us now up to full strength.

The challenges of Climate Change, economic turmoil, a dysfunctional housing market in Lochalsh and Skye, and a new CEO led the Board to look afresh at the Association's focus and direction, and in December began working on LSHA's plans for next five years. Communities and tenants need us to be ambitious and find solutions to these huge problems. In turn, our pursuit of improvement and growth needs the solidity of the business, and I am delighted to report that, following our Annual Audit in 2022, there were no audit findings of any concern to the Association and our Financial Statements are, once again, unqualified.

Everyone here will be aware how expensive it is to keep a house warm in Lochalsh and Skye regardless of income. You may know that a lot of our tenants are fuel poor and ration the heat they use because of the expense, which got even worse during 2021-22 with the energy crisis. For years now we have invested heavily in the best heat-pump technology so that households can afford the heat they need. This year past saw us install 30 Air Sourced Heat Pumps to tackle fuel

poverty amongst our tenants, and now more than half of our tenants benefit from this technology.

Our Energy Advice Team had an extremely busy year at the start of an emerging energy crisis as they ensured that our homes met the Energy Efficiency Standard for Social Housing or EESSH1 as it is known.

Our Care & Repair and Handyperson Services continued to do great work throughout the year, despite Covid. Care and Repair spent **£369K** of grants and client contributions on repairs and improvements to **63** properties occupied by elderly and disabled clients in the private sector and our Handyperson Services carried out over **2,800** tasks assisting our clients with adaptations, Community Store equipment and Telecare to assist with staying at home for as long as reasonably possible. This is saving NHS Highland significant sums and improving quality of life for many households. In addition, with the new Government legislation relating to domestic fire detection systems, they assisted 71 households within their client base, throughout Lochalsh & Skye, achieve compliance through the installation of new systems.

This was in addition to the **£133k** we spent on **25** of our own properties to provide disabled adaptations. These are significant levels of investment which also help to secure employment in the local economy.

Similar to the previous year, 2021-22 has proved to be extremely busy in Housing Services with 81 changes of tenancy, which includes 2 for properties we manage for Link Housing. This figure was boosted by our new build developments at Murray Court and John Nicolson Court, in Portree, and Taighean a' Chaisheil in Staffin, with 30 new builds in total. In addition to this we facilitated 4 mutual exchanges so we continually strive to meet the housing needs of a wide range of Highland Housing Register applicants, and rehousing needs of our own tenants. Of those we housed, 99% were already in Skye and Lochalsh, and of those, about two thirds had been here for more than 5 years.

When it comes to needing new homes, Skye and Lochalsh is one of the most pressured parts of the Highlands, and indeed Scotland. Covid has held us back over the last two years but despite this we continue to be the most effective developing social landlord in the region, working on the largest programme of affordable rented housing developments that we have undertaken in recent times, spending £7.2m on new housing, with projects under construction or being planned right across Skye and Lochalsh.

At the year end, we had **67** properties under construction at Campbell's Farm, Broadford; Kyleakin Feus; Staffin Road, Portree (including one for SGRIPD), and Armadale in Sleat and we had **61** properties in the tender pipeline on Raasay, Glenelg, Dornie, Broadford and Portree. Two land purchases had been agreed in principle at Dunvegan, in a joint Highland Council and Community development to provide affordable housing, primary school re-provisioning and a new sports pitch facility, and at Kiltaraglen, Portree, a large strategic site for 248 mixed tenure houses and flats including the possibility of a Care Village/Campus with land to be transferred to The Highland Council to assist with the final leg of the long awaited Portree Link Road.

We acted as development agent for The Highland Council and were involved in Plockton with the renovation of 14 Harbour Street and investigating the provision of 3 affordable rented units at the Janitor's House site and up to 12 affordable houses/flats at the Shinty Pitch site.

As important to the Association as new housing for our communities is, the quality of our existing housing is also a priority, and we also invested more than **£845k** on improving our existing properties including extensive roof repairs at Varrigall House, Portree, and revived our programme of new kitchens, doors, windows and bathrooms.

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.

All in all, it has been a challenging but exciting year for everyone connected to the Association – and a busy one as evidenced by the length of this report. And I'd like to end with a bit of icing on the cake. Our collaborative new housing project at Staffin, developed this year with Staffin Community Trust and the Communities Housing Trust, won the Scottish Home Awards category for "Community Contribution".

I shall finish with some thanks - to the members of the Board for their support and contributions throughout the year, in particular the members of the Audit, Performance and Risk Sub-committee; also to all the staff whose efforts enable the Association to continue to function so well, and last but definitely not least, to our tenants for their understanding and appreciation of the services provided by the Association.

4. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

The Chief Executive presented the following report on behalf of the Director of Financial Services:-

Our Report and Financial Statements were considered and approved by our Board on 27 June 2022 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 Neil Clapperton (the Chief Executive). Our key

advisers are also listed. At the date of signing we had 14 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, we continue to adopt the Going Concern basis in preparing the financial statements. The report also includes details of 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 requiring disclosure in the financial statements.

➤ Pages 11 and 12

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 13

The “Independent Auditors 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. 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

Relative to the previous year:

- Turnover rose by £0.23m from £5.15m to £5.38m
- Operating Expenditure increased by £0.28m from £4.38m to £4.67m.
- Operating Surplus decreased by £44k from £758k to £714k.
- Interest receivable decreased by £6.6k.
- Interest and financing costs increased by £41k from £511k to £552k.
- Net Surplus for the year decreased by £77k from £240k to £163k.
- As the Association is a Charity there is no taxation due on the surplus.
- “Other Comprehensive Income” includes an adjustment of £470k which relates to actuarial gains in respect of the pension scheme.

➤ Page 15

Statement of Financial Position

- Fixed Assets have increased from £75.0m to £81.1m.
- Current Assets amount to £3.2m of which £2.6m is cash and cash equivalents.
- Total Assets Less Current Liabilities have increased from £77.8m to £80.5m.
- Long-term Liabilities, which include loans and deferred housing grants, have increased from £71.5m to £74.2m
- Net Assets have increased from £5.64m to £6.28m represented by:-

Share Capital	£87
Income & Expenditure Reserve	£6,276,375

Members were advised that if they wished to receive the full copy of the Report and Financial Statements, these would be available free of charge by post or 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 the year 2022-2023 was approved.

6. **Election of the Board**

Mrs A Sinclair, being due to retire as a member and be considered for re-election, she handed the chair to the Chief Executive, Mr N Clapperton, to manage elections to the Board.

This item was in two parts. Firstly, in accordance with the rules, three members of the Board were due to retire in rotation, and this year the members were:

Mrs Audrey Sinclair
Steven Proudfoot
Ian Young

Mr S Proudfoot indicated that he didn't wish to be re-elected and was stepping down from the Board. Mr N Clapperton wanted to record his appreciation for Mr Proudfoot's great contribution to the Board's work and, in particular, his understanding of the value of our charitable enterprise and its impact, as well as bringing his financial experience to consideration of the Association's accounts and treasury management.

Both the Chair, Mrs A Sinclair, and Vice Chair, Ian Young, indicated their willingness to continue as Board Members and, as the Association's Board did not exceed the 15 members allowed, both were automatically re-elected.

In addition to Mr Proudfoot, current Board member, Mrs I Campbell, had indicated that she wished to stand down from the Board. Mr N Clapperton shared his appreciation for her work on the Board, bringing an important community perspective from the mainland and her position as a Highland Councillor.

In the second part of the election of Board Members, it was noted that the two current members stepping down and seven members in casual vacancy positions, who would have to step down and seek formal election to the Board in accordance with the Rules, meant there were nine Board positions to fill.

The following seven members of the Board, who filled casual vacancies are willing to stand for re-election, and have been nominated to be elected onto the Board:

Donald Fergusson
Emma Johnston
Gareth Morgan

John Watson
Robin Nairn
Robin Sarkar
Rory Brown

The Board has already recommended a further candidate for election to the Board to take one of the two spaces left vacant, Kenneth Wong, who has particular skills in business analysis and the energy sector. In the absence of any further candidates being nominated, and as the Association's Board did not exceed the 15 members allowed, the meeting's approved their election.

Mr N Clapperton passed the chair back to Mrs A Sinclair to conclude the meeting.

There being no other competent business, the meeting closed at 2.35 p.m.

Chairperson *A Sinclair*